

EMERGING BUSINESS

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PROFILE | D23

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Business

STAR BUSINESS WEEKLY ★**PATENTS AND PRODUCTION** | Putting ideas into practice is not a simple process

SEEING YOUR INVENTION THROUGH



DAVID EULITT | THE KANSAS CITY STAR

Kurt Van Keppel has seen his cigar cutter become the top such product in the industry — a decade after the idea came.

Entrepreneur week helps highlight some success stories of those who dream big.By JOYCE SMITH
The Kansas City Star

Kurt Van Keppel's \$55 plastic cigar cutter took two hands to use, making it too fussy for a product that was all about prestige.

Wouldn't it be great, he thought, if you could slice the "cap" of the cigar with a smooth snap using just the palm of one hand?

When he couldn't find such a product, Van Keppel created one with industrial designer friend Scott Almsberger.

"It didn't cost me anything except time," Van Keppel said. "We were both hobbying the whole thing."

But before long, the two men formed Xikar Inc. to sell the invention, investing thousands of dollars of their own money. Now, 11 years later, Xikar cigar cutters can be found in more than 3,000 specialty shops worldwide. The company expects to do \$5 million in sales this year.

Sounds simple, doesn't it?

A great new product goes on

SEE INVENTORS | D20

Plenty of reasons for economic optimism

CHRIS LESTER | D8

**THE MARKETS | STOCKS EXTEND A SERIES OF LOSSES AS INVESTORS LOOK FOR A CORRECTION | D29**

12632.26	2504.52	1449.37	823.69	4.63	61.39	686.50	1.3185	120.57
DOW	NASDAQ	S&P 500	RUSSELL 2000	10-YEAR T-NOTE	OIL	GOLD	\$ PER EURO	YEN PER \$
-15.22	-10.58	-1.82	-2.95	-.04	+.25	+3.40	+.0023	-.47

INVENTORS: Dreams can come true, but path can

FROM DI sale, and someone always seems to claim they thought of it first. Maybe they did. But musing their way to a better product may be the easiest part of the process.

An idea is born

Building a viable business based on an invention is perhaps the toughest of entrepreneurial challenges. The success stories, some of which are on display this week during the **Ewing Marion Kauffman Foundation's** Entrepreneurship Week USA, often are built on overcoming adversity.

"It's important for inventors to realize — to get something from an idea in their head to store shelves is a long, long difficult road, and even then there is no guarantee," said Jennifer Lawlor, spokeswoman for **InventHelp**, a private Pittsburgh company that hooks up inventors with companies that might license their products.

Before getting a second mortgage to finance this dream, Steve Pope, president of the **Inventors Club of K.C.**, recommends inventors do some research. Visit retail stores and Internet sites to find out whether similar products are available — at what price and at how many outlets. Prospective inventors should search the free database at the **United States Patent and Trademark Office's** Web site www.uspto.gov. Their idea or product may have been on the market before but at a prohibitive price, or it may be patented under another use.

If nothing shows up, it may be time to hire a patent attorney or patent search firm for an initial cost of about \$1,000 for a more in-depth search.

"Most inventions we see today are improvements on an old invention, so if you can't find it you haven't searched enough," said John Calvert, administrator for the In-

ventors Assistance Program at the patent office.

Patents themselves don't come easily. In 2006, the patent office received 443,652 patent applications, but only 183,187 were issued that year. The process generally requires the help of an attorney or a professional patent search firm.

"The patent is the cheapest thing you are going to do and the most important thing," Calvert said. "If you can't afford professional patent assistance you can't afford to be an inventor."

Inventors may need to make a prototype to see whether their idea actually works.

The first prototype for the Xikar took nearly four months to design. Almsberger, meeting regularly with Van Keppel, came up with a "perfect" working model made of white styrene plastic with a plastic blade.

"We looked at function first," Van Keppel said. "Well, we want it to cut a cigar. How do we get there more efficiently? Not how do we improve another cigar cutter. That's why small inventors can come up with something revolutionary, it's because they're not restrained by conventional wisdom."

Lawlor of InventHelp said patents and prototypes can help bring investors on board.

"In many cases the more things you can do to give the company a visual idea of the product so they can see it solves a problem, the better," she said.

Based on their first prototype, Van Keppel and Almsberger in early 1996 were able to add a third partner (whom they later bought out). They also formed Xikar Inc. for legal protection and applied for a patent (which wasn't awarded until August 1999).

Getting more serious about the idea, the partners paid \$5,000 to engineer the working mechanism. More money went to get the first pre-production prototype and parts



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The inventors of the superior cigar cutter are Scott Almsberger (left) and Kurt Van Keppel. They've put years of effort into making their product a success. They run their business in midtown Kansas City.

to make 200 cutters.

But when they assembled the Xikars in their garages some parts didn't fit, so they were only able to make 150 Xikars. However, those quickly sold out at \$75 each at area stores like **Diebel's Sportsmens Gallery**.

"At the time it was dramatically more expensive than the dominant cigar cutter on the market," said Curt Diebel, president of Diebel's, which has two shops specializing in cigars and men's gifts.

Still, Diebel thought the design would be a hit with guys because it was a gadget — a one-handed motion with a switchbladelike snap.

Creating a business

Inventors generally try to license their product to a manufacturing company or make it themselves.

For licensing they should look to the companies that might be in the best position to make their product, said Pope, president of **R2fact Product Development Inc.**, a Lenexa-based firm that works with inventors. For a household item, for example, consider companies that supply retailers such as **Target** and **Wal-Mart**.

Kansas City-based **Faultless Starch/Bon Ami Co.** has been making basic

products like spray starch and scrubbing cleansers for 120 years. But 30 years ago it got into more complex specialty products such as the Garden Weasel, a garden bed cultivator/weeder. The product was so successful, the company started licensing other inventions.

The company looks at hundreds of ideas a year, considers dozens, and perhaps finds a couple good enough to license.

"If they really believe in their product they're going — one way or another — to get it going some how, some way," said Web Thompson, vice president of spe-

ROAD TO RICHES?

Want to turn your idea into a business? Here's a general roadmap:

1. Research the idea.
2. Search the Internet.
3. Analyze the market: who are your competitors, how many, how long have they been on the market, cost of their

products? Ask people you know whether they would use the product, but don't ask just family and friends.

4. Do an online search at the United States Patent and Trademark Office, www.uspto.gov.
5. Record your idea in a logbook, which are sold at many bookstores.

6. Have the idea evaluated by other inventors, entrepreneurs and product marketing/manufacturers for a third-party opinion. But check out these companies carefully before spending any money.

7. Decide whether you want to license the idea or make it yourself. If you decide to license the product, focus on

who is in the best position to sell it.

8. Hire a patent attorney for a qualified patent search. Your product may be patented under a different use than the one you designed it for.

9. Create a prototype to see whether it works.

Source: R2fact Product Development Inc and other patent experts



FOR MORE INFORMATION

I Faultless Starch/Bon Ami Kansas City: To submit inventions with a patent or patent pending go to www.gardenweasel.com

I Inventors Club of K.C.: This nonprofit educational group assists local inventors and entrepreneurs. It holds fre-

n also be a nightmare

cialty products sales for Faultless Starch/Bon Ami. “But not too many inventors have the wherewithal — the interest, the money, the knowledge, the ability to sell to the mass market. You usually have to find a partnership of some type or other.”

That’s was Van Keppel’s plan.

He took the Xikar to an East Coast cigar distributor, asking \$100,000 for the patent pending, prototype and manufacturing sources. The company declined.

“I would have been delighted because I didn’t have a lot of time invested in it, and only about \$25,000 into it,” Van Keppel said. Instead, he “had no choice but to do it myself.”

When West German and Hong Kong manufacturers said they were ready to begin producing Xikars, Van Keppel quit his job as business development manager at **American Italian Pasta** to concentrate on the business. But factory delays pushed production back by a year — and pushed Van Keppel back into a job.

The first shipment finally came through in April 1998. In May, Xikar mailed a free sample to 100 stores along with a testimonial from Diebel. Within a month, \$10,000 worth of Xikars were sold. In July, Van Keppel went to a Nashville trade show and sold \$150,000 more.

Based on those results, he quit his job for good — and then sold his house and moved his wife, young son and daughter to his mother-in-law’s house in Atlanta for two years.

“I didn’t pay myself for two years, and I worked 7 a.m. to 10 p.m.,” Van Keppel said. He also cashed in his 401(k).

Building a brand

Inventors might know the great thing about their products, but convincing the public is another matter.

“You think it is expensive getting it brought forward from idea — which it is — putting it into play before we even sell a dollar of it is

very, very high risk,” said Thompson of Faultless Starch. “You have to price it right, have money to back it up, have lots of points to sell it and pray.”

One local inventor got a product into a few hardware stores, but the items were just stuck in a paint bucket on a counter where many customers didn’t even see them.

Van Keppel, in contrast, spent \$750 each for 500 glass-enclosed displays for a store-within-a-store presentation.

Retired executive Kurt Mueller, who serves as Van Keppel’s mentor in the **Helzberg Entrepreneurial Mentoring Program**, said many companies expand too quickly.

Xikar “has been very careful of that, and it’s a topic almost every time we meet,” Mueller said. “You need to look at how much outside financing and risk do you want to take to make it happen.”

Xikar is sticking with cigar cutter designs and expanding into related products such as lighters. “It was our customers who got us into the lighter business; they said if we did, ours would be the only lighters they would buy,” said Van Keppel.

Van Keppel now reminisces about the days he would visit Paris and couldn’t afford to buy the high quality products he saw in store windows. Now his product is in those same windows.

“If you are only in it for the money, wow, to me that’s too risky,” he said. “Do it for love and not for money, because the love will always be there even if the money isn’t. My financial reward for working in the corporate world probably would have been greater up until just very recently and it has taken 10 years to get there.

“But my reward for running my own show and being my own boss never would have been the same.”

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INVENTORS WORKING TO BUILD BUSINESSES

It takes a long time to wrap up

Lloyd Schaefer wanted a better food-wrap dispensing system for his food brokerage company, **Flynn Sales Associates** in Overland Park.

So in the fall of 2004 he sat at his garage workbench and created a prototype using a stick through two flying discs, with plumber’s couplings holding the food wrap.

Doing a patent search online, Schaefer found many plastic-wrap dispensing systems. Although Schaefer felt his product was better, he was afraid of patent infringement, especially with **Reynolds Metals**, of Reynolds foil fame, having a version.

Then one winter day he noticed the holiday wrapping paper strewn over his Overland Park home. Inspired, Schaefer converted his commercial product into a consumer product. A focus group of his female friends heartily backed the gift-wrapping dispenser, telling him there was nothing like it on the market.

Schaefer paid about \$1,000 to **Invention Home** in Pittsburgh for a professional patent search and to apply for a provisional patent. After perfecting his prototype, he then filed for a patent through a local attorney.

“There is a lot of dialogue going on between



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Lloyd Schaefer has high hopes for his DeSpinZer gift-wrap dispenser.

the attorney and the inventor when you are doing utility patents, so I wanted face-to-face meetings,” Schaefer said.

Meanwhile, he hired **Harshaw Research** in Ottawa, Kan., to produce a version to show at trade and inventor shows in hopes of licensing what he dubbed the DeSpinZer.

Schaefer said he lacks marketing expertise, so he hopes a company that sells products to card and gift or organizer stores will snap it up.

Schaefer has six other product ideas he wants to pursue.

“You can go broke doing this; with attorney fees, prototypes, it’s easy to get to a minimum of \$10,000,” Schaefer said. “But I grew up in rural America, where we believed if it’s useful and functional, it will sell.”

| Joyce Smith, jsmith@kcstar.com

Get help in a number of ways

An idea might look good on a cocktail napkin, but that doesn’t mean it will work in the real world, said inventor Rick Forman.

“You have to rely on professionals to get you through the process,” said the founder of **Solar Accents Inc.** in Merriam. “You go through a lot of obstacles, a lot of hoops.”

Forman had spent 25 years in the restaurant/bar and concession business before selling the company and looking for another enterprise. He was flipping through a catalog when solar-powered security lights caught his attention. His idea: solar-powered addresses to go on houses and businesses.

He considered licensing the idea but figured he would get only 3 percent to 4 percent of sales. So he formed **Solar Accents** in 2002 with help from 20 friends who mostly invested \$5,000 each for 1.5 percent shares in the company.

Forman researched community requirements on the Internet. He then spent 18 months refining the idea with Don Reed, an electrical engineer.

“I wanted to make sure it would work all night, in any environment,” Forman said. “If



CHRIS OBERHOLTZ | THE KANSAS CITY STAR

Rick Forman came up with a solar-powered address lighting system.

my mother needed an ambulance at 4 a.m., I wanted the ambulance to be able to find her.”

He spent \$50,000 for molds. Plants in Taiwan and China manufactured the technical pieces for 1,000 Solar Accents for \$5,000. Another \$10,000 went to the design of retail displays.

He sells Solar Accents online at www.solaraccents.com for \$39.95. The products also are available in **Ace Hardware** stores in the Ozarks and at **Locks & Pulls** in Overland Park.

Forman hopes to get Solar Accents in larger hardware stores.

“We’re an unknown entity and we only have one product; they want multiple products with an established brand name,” Forman said. “So mom-and-pops are our cup of tea right now.”

| Joyce Smith, jsmith@kcstar.com

monthly meetings from 6:30 to 8:30 p.m. the third Tuesday of the month, at the Ewing Marion Kauffman Foundation, 4801 Rockhill Road. For more information, call Steve Pope at (913) 449-3226.

United Inventors Association, Henrietta, N.Y.: This national, nonprofit offers educational resources and networking

opportunities for independent inventors (those not working for a corporation). Call (585) 359-9310, or go to www.uiausa.org.

For patent and invention resources compiled by the **Johnson County Public Library**, go to KansasCity.com and click on Business.