



porticos

Quarterly Newsletter

We turn good ideas into great products.

October 15, 2008

Q3 2008 Issue

In-Sourcing?

Porticos recently completed the detailed design of a new and exciting product for a major customer. That, by itself, is not unusual. What makes the story interesting is that the client is located in Asia.

Many are familiar with the practice of “outsourcing.” Call-center support, manufacturing, and engineering-design are increasingly being contracted to overseas sources. The design project mentioned above is an example of “reverse outsourcing.” While we are not yet at liberty to disclose the details of the project (or the name of the client) until after the product is launched, we can discuss the history and process.



Porticos prides itself in an ability to innovate and also in extensive experience in mechanical design of mechanisms and customized electronic packaging. Those qualities led the customer to consider Porticos over other regionally available solutions. Porticos was honored to be considered and excited to work on the challenging project.

Flexibility, project coordination and communication are all key traits required to successfully work for customers located on other continents. These are the same traits that Porticos employs when dealing with domestic customers or overseas suppliers. While Porticos engineers did make several trips to the region in support of this project, weekly conference calls and email correspondences provided an efficient means of communication. “[The team] made communication a focal-point when we agreed to support this program.” explains Kevin Carpenter, lead engineer on the project. “We worked concurrently from four different time-zones, some 12 hours apart. The design-team

had to be flexible enough to communicate at odd hours, and disciplined enough to create and stick to a complex development-plan.”

Whether your project is large or small, domestic or foreign, let Porticos work with you to turn your good ideas into *great* products!

Resource Update

Porticos is excited to announce that David Clemens will join Porticos as a full time permanent employee effective August 27, 2008. David has been supporting Porticos since November 2007 in a contracting capacity. During that time he has demonstrated excellent engineering skills and a commitment to the Porticos customers. Please join us in welcoming David to the team!



Greg Patterson, CTO

Part 8 in this 12-part series focusing on the development of ideas into viable products...

It should be obvious by now that taking an idea from concept to reality is a tough assignment. In this installment of our series *Business of Ideas* we will discuss the shortfalls with trying to successfully make that transition as a part time activity.

As we've discussed before, many inventors are tinkerers at heart. They work normal jobs 40 hours a week then spend their weekend in the shop developing the next great invention. I personally think this is a great use of time. It exercises the creative side of your brain and typically builds on your strengths and interests. For the most part, the investment in material is probably less than you would have spent on other frivolous activities given that much free time on your hands. Who knows? It's like the lottery; perhaps you might just come up with something.

If however you do plan on building a business then you can't rely on lottery odds. You need a solid plan that yields a solid return on your investment. A plan that accounts for the resources required to develop not only the initial idea, but the complimentary products that must follow shortly after. Still don't think it's a full time job? Consider the amount of time you already have in conceptualizing and prototyping the idea. Now add time to patent, time to market, time to manage resources, even the time just to put together the plan in the first place. It's more than a full time job, it's a full time job for several people. Anything less isn't a road towards building a successful business. It's just an interesting hobby.

To build a business you must be completely devoted to the endeavor. I'm not advocating ditch-

" I never did anything by accident, nor did any of my inventions come by accident; they came by work"

Thomas A. Edison

If your current financial situation (or your own intestinal fortitude) isn't conducive to making the transition cleanly, consider some alternate transition plans. The option that we have chosen at Porticos has been to base the business initially on service-oriented revenue while we develop ideas that ultimately can be transitioned into a stand alone business. Why? We were not financially capable of going years without any personal income while an idea was developed, marketed and brought into production. Conversely, the service side of the business could be developed more easily, providing a recurring revenue stream and keeping our engineering talents current. If you've been keeping track of our quarterly newsletter, you know that we are on the brink of realizing fruit from our labor. We created a separate company called Porticool to finish development and marketing of the "cooling vest" product that we patented, and are in final negotiations for a royalty agreement.

In keeping with the advice I am giving you, we are transitioning now from "part time" resources that have supported that project, to full time resources tasked not only with industrialization of that original idea, but also resources to successfully run the business and develop the follow-on or complimentary ideas. These tasks are crucial to building a profitable business. Now that Porticool is responsible for its own profit and loss, Porticos can continue to focus on the service side and in developing new ideas for different markets. Ultimately one of those new ideas will spawn into another stand alone company, and so on.

In summary, building a *Business of Ideas* is in many ways no different than building any other long term profitable company. It cannot be maintained on a part time basis, but rather requires planning and dedicated support to become successful. Anything less is really just a hobby. The sooner you come to terms with your situation in light of that argument, the easier it will be to know how to proceed and the better you can sleep at night.

Next time we will discuss options to realize money for your ideas. Until then, remember it's all or nothing when it comes to developing a *Business of Ideas*.



We turn good ideas into great products.

OUR CORE COMPETENCES

At Porticos, we enjoy the mechanical engineering challenges associated with turning a good idea into a great product. We are a full service mechanical engineering and design firm focusing on the development of new products. Where complete product development solutions are needed, Porticos has long standing partnerships for software coding, detailed electrical design, and tooling desing and fabrication. Outsourcing mechanical design and product development will allow you to:

- Complete projects without the cost of adding long-term resources
- Increase your revenue with new product innovation
- Lower your product development cost, improve quality, and minimize manufacturing time
- Decrease your time to market and prototyping cost

Does your firm have a challenging mechanical engineering problem that we can solve? Let us show you how innovative mechanical design can improve your products' performance, increase your marketshare, and save money.

TARGET INDUSTRIES

- Handheld Communication Devices and Accessories
- Ultra-portable Devices
- Consumer Electronics Packaging
- Computer and IT Hardware
- Public Safety and Emergency Responder Equipment
- Pharmaceutical Devices

Phone: 919-468-0033 x153
Fax: 919-468-0161
E-mail: greg.patterson@porticos.net

Porticos, Inc.
1012 Copeland Oaks Drive
Morrisville, NC 27560
www.porticos.net

OFFICE SPACE FOR LEASE

Do you need to lease office space in the RTP area, or know of someone who does? Choice Property Acquisitions (a Porticos subsidiary) has 2450 sq. ft. of conditioned office space available for lease adjacent to the new Porticos headquarters in the Copeland Oaks Center. The space, located just

west of Airport Blvd on Hwy 54 in Morrisville, NC., is convenient to the new I-540 loop and the airport. Please contact Greg Patterson (919-468-0033 x153 or greg.patterson@porticos.net for more information.

