

We turn good ideas into great products.



ANNOUNCING WEBSITE UPDATES



You'll notice some changes the next time you visit www.porticos.net. We have improved structure and flow, added lots of new content, and generally "spruced up" the entire site.

"It is important to have a website that is easy to navigate and that brings value to our clients", explains Kevin Carpenter, Chief Engineer at Porticos. "Our website was well received, but we knew we could improve it further".

Not all of the changes are visible. The site is now much easier to update with current information, and is also more accessible to search engines.

Some of the updates and improvements that are apparent include:

- New additions to our [Portfolio](#), [Recent Updates](#) and [Breaking News](#) Sections
- An [Engineer's Toolbox](#) containing tools and links for the product-design engineer

- A more dynamic [Case Studies](#) Section.

There is even an explanation on how we came to call ourselves Porticos for those of you who have every wondered.

If you have suggestions or requests for additional material or format changes to the Porticos website, please direct them to

Kevin.carpenter@porticos.net.

~~~~~  
" ...you better start swimmin'  
Or you'll sink like a stone  
For the times they are a-changin'."  
Bob Dylan, 1963  
~~~~~

BÖWE BELL + HOWELL PRESS RELEASE



Porticos, Inc. is excited to announce that it is nearing the one year anniversary of providing mechanical engineering support to BÖWE BELL + HOWELL. Under the terms of the service agreement, Porticos provides general engineering design services on a continuing basis. Porticos activities include mechanical design, drafting, analysis and general product-development.

Read more at www.porticos.net.

RESOURCE UPDATE

Porticos is excited to announce that Lewis Joyce has joined Porticos as a full time employee effective May 18, 2009. Lewis graduated from North Carolina State University in May with a Bachelors in Mechanical Engineering and has been an intern with Porticos for the last three years. Please join us in congratulating Lewis and welcoming him to the team!



THE BUSINESS OF **IDEAS**

Greg Patterson, CTO

Part 10 in this 12-part series focusing on the development of ideas into viable products...

It has often been said that there are no rewards without first taking risks. What people fail to consider when evaluating ideas for development is how much risk they are capable of taking, and not strictly monetarily. Risks include *development risks* of time and technology as well as *liability risks* that will inevitably be attached to the final product. We touched briefly on this subject in our last chapter; Extraction. The more risk you are willing or able to take, the higher the return you may expect. So what are some of the risks to consider?

The most obvious risk factor is cost. How much capital or access to capital do you have and to what level of leverage are you comfortable with. I equate it somewhat to bidding on Ebay. It's better to go into the auction with a set limit you are willing to spend. Otherwise you can find yourself in a bidding war that makes the final sale price higher than the items retail value. Remember that feeling? The same type of rule should apply here. Once you've established your "line in the sand", you can then effectively establish how you are going to proceed. Are you able to go it alone or do you need additional investment? It will also help you determine whether you can realistically expect to take this idea into production or whether you can only prototype the idea with the hopes of licensing the technology to a company with deeper pockets.

Probably the second most important risk factor, in my opinion, is what level of liability the product would be exposed to. This impacts not only your cost decision (liability insurance for a safety type product can be very expensive), but also has the potential to impact your family's security. Ask yourself: what is the effect if the product fails to perform? Remember that the failures do not need to be purely the result of design or manufacturing issues. There are plenty of examples of successful litigation in which the user's stupidity was the root cause. Is someone's life at risk if the product fails to perform? If the answer is yes, then you need to be prepared financially and mentally to ward off the inevitable lawsuit. Please don't convince yourself that it just won't happen. If you aren't comfortable with that risk, then it should drive you away from manufacturing the product yourself and more toward licensing of the technology. Granted, even that doesn't fully absolve you of potential implication in a lawsuit. But it does add extra layers of shielding between you and the plaintiff.

A third risk factor is the risk associated with investing your time and energy into developing

(continued on pg 3)

THE BUSINESS OF IDEAS

(continued from pg 2)

the idea. How does your time affect your ultimate return on that investment? This is especially true if you have several ideas worthy of development or if your primary professional income is derived from some other aspect of your life. Can you afford the risk of going down the rabbit hole for six months or a year championing this idea instead of supporting your other obligations? If you've been reading this series thus far then you should have a better understanding of what development of an idea entails and what the potential rewards can be. Use that understanding to determine if the risk of applying your time to this idea is economically justifiable.

I'll add one other comment on the topic of your time investment. You should consider your personal obligations as well as your fiscal obligations. If this is starting as a second job or hobby, how will your spouse react to the additional time out in the shop? Do you have children or other family commitments that need to be considered? While it is often the case that the financial aspects and risks of building a business are weighted heavily in the beginning of any venture, I suspect that more often than not you will find that the personal turmoil and sacrifice created by assumption of these risks is the thing that leads to the venture's downfall.

Once you have evaluated your capacity for risk in these areas it will make it easier for you to determine what level of involvement you can make into developing the idea. In addition it will help you to plan for what that development will look like. Should you try and license the technology or will you take the idea into production and become your own sales and distribution channel? Understanding and evaluating your risk is an important part of making those decisions as you build your *Business of Ideas*.

OFFICE SPACE FOR LEASE

Do you need to lease office space in the RTP area, or know of someone who does? Choice Property Acquisitions has 2450 sq. ft. of conditioned and finished office space available for lease adjacent to the 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) for more information.



COMMENTS?

Please feel free to direct any comments or questions about Porticos or our newsletter to Greg Patterson.

Via Mail: Porticos, Inc.
1012 Copeland Oaks Drive
Morrisville, NC 27560
Via Phone: 919-468-0033 X 153
Via Email: greg.patterson@porticos.net