

9a The idea is easy ...

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Student A Entrepreneur/Inventor

You are a self-employed engineer and design consultant. You have advised various companies on the design and production of new products. You have always been good at repairing and building things, and in your workshop at home you have built several new gadgets. Last year you developed a 'Drinking Fountain for Pets' but a loan to develop this product was refused by the bank.

Your latest invention is a 'Button Fixer'. Buttons fall off at the worst possible times, but with 'Button Fixer' you never need to worry again. 'Button Fixer' is a small device which attaches a button with a single push. It's small, portable and very easy to use.

You have already patented this product. Now you would like to negotiate a loan from a bank to develop, manufacture and market it. Here are some details to help you:

Amount of loan	€30,000
Personal Investment	€10,000
Date of Product launch	1 year from today
Production costs (per unit)	€3
All other operating costs (per unit)	€4
Selling price	€15
Sales channel	Mail order (advertising in fashion magazines)
Yearly sales forecast	5,000 units



Student B Bank Manager

You are a bank manager and you have a meeting with an entrepreneur/inventor who you are meeting for the first time. Last year he/she approached one of your colleagues for a loan to develop a 'Drinking Fountain for Pets'. Your colleague refused the loan because there was not enough market research to support the idea.

First, you need to know more about the entrepreneur's history and personal situation. Then you need to know more about this new idea – what the product is and what the market for it is.

Make sure that you get the following details:

Amount of loan	
Personal Investment	
Date of Product launch	
Production costs (per unit)	
All other operating costs (per unit)	
Selling price	
Sales channel	
Yearly sales forecast	

When you have this information decide what to do – lend the money, not lend the money, get more information.