

# Licensing Your Product - What You Need to Know to Negotiate the Most Favorable Terms for Your Business

Are you considering licensing your product or service, and if so, have you thought about how to get the best possible deal? This can be a tricky subject. This article will shed some light on how to get the best possible terms for your company.

## Conduct Your Research

You should begin by researching the space and competition. Depending on the field you plan to launch in, you may want to also check that someone else hasn't patented your idea, because if they have, you will want to make sure your product doesn't infringe.

## Find a Way to be Competitive

Just because there's a similar item out there in the marketplace, doesn't mean you can't get your product out there too. Make sure your idea has a unique selling point that makes you stand out among the competition.

## Consider Your Own Patent

Consider patenting your product, which will give you stronger leverage in the licensing negotiations. You want to wait until your product is ready before filing however. If you file for a patent too early you'll likely run into some issues, for instance depending on changes that may be made to your product down the line, you might need to file again, which will be costly. A provisional patent is a way to save on fees in the early stages of your product development.

## Find Your Audience

Make sure you know whether there's a demand for your product and find that out immediately. Pitch your idea to appropriate businesses and gauge their level of interest. While these initial meetings may not lead to customers, feedback from these meetings can help you learn if you are on the right path, and also help you refine your idea.

## Get the Best Contacts

Make sure you know exactly who in any company to pitch your idea to. Search websites like LinkedIn to get the contact details of their marketing departments or whichever departments are more aligned with your product. When you find these people, don't pitch straight away as they'll likely find that off putting. Start a dialog with them first and find out if they have any business-related problems that you

can help them solve. If you do, they'll be more willing to help you by either listening closely to your pitch or putting it in front of the right people.

### **Get a Lawyer, But Trust Your Own Judgement**

While you need legal counsel, you shouldn't rely on this completely. Make sure you know what you want and what it's possible for you to get. Conduct complete and thorough research into all aspects of licensing.

### **Never Stop Doing Your Research**

The act of licensing a product is one that can never be over-researched. The internet is your friend and instructions for every element of the journey can be found with some legwork.