PART I
The IIP and the Small Business High Tech Client

by Jane John, Jocelyn Sheppard and Jan Knight

Adding Value: Independent Information Professionals

To succeed financially as independent information professionals (IIPs), we need clients who recognize the value of – and are willing to pay for – our services. These "good" clients understand how we extend their organizational capabilities; provide actionable information, analysis and strategy; and contribute to their bottom line and the success of their mission.

While small high tech businesses and start-up enterprises may appear to offer limited potential as clients – due to often limited operating capital – they do appreciate the value provided by IIPs. IIPs can often fill the information gap for early-stage companies that definitely need market, business and technical research, but typically have no in-house research or library staff. In fact, more than 90 percent of all businesses in the United States and Europe have fewer than 50 employees, and likely few of these small businesses have information professionals on staff. From engineering and technology scans, to business plans and grant proposals, to potential government and venture capital funding, to market and industry research to better understand their competitors, these small clients recognize they can derive real benefit from working with IIPs.

In the following question and answer section, the co-authors will describe how they have built a client base consisting largely of start-up companies, entrepreneurs, tech companies, inventors and related organizations. Jan Knight, Jane John and Jocelyn Sheppard will explain their strategies for acquiring these clients, describe some of the key rewards and challenges of working with them and offer some tips for successfully meeting the needs of clients who are in pre-launch, start-up or early growth modes.

The Authors and Their Companies

On Point Research (Brunswick, Maine). Jane John's company provides research that helps early-stage and established tech firms reduce risk in their many business decisions. The firm has prepared market views for over 100 small- to medium-sized companies in New England, helping them learn about niche industries and potential competitors or partners.

Owner and principal researcher Jane John has more than 20 years of experience in conducting all types of research in published sources. She has a master's degree in library and information science from Denver University in Denver, Colorado, and 15 years of experience working in corporate libraries. She is a past president of the Association of Independent Information Professionals. She is also a member of the Special Libraries Association and the Association for Consulting Expertise (Maine).

Bancroft Information Services (Tucson, Arizona). Jan Knight is an independent market research consultant and president of Bancroft

Jane John is owner and principal researcher at On Point Research, a company that produces customized market views for technology firms seeking to commercialize new products. Clients range from high tech startups to Fortune 500 companies. Ms. John is a past president of the Association of Independent Information Professionals and can be reached at jjohn<at>onpointresearch.com.

Jan Knight is president of Bancroft Information Services. Much of her work helps to shape business plans, business development and marketing strategies for clients including start-ups, technology companies, other consultants and small businesses in all industries. An active member of AIIP since 2001, she can be reached at jan<at>bancroftinfo.com.

Jocelyn Sheppard is principal consultant at Red House Consulting, providing research, planning and strategy services to business, nonprofit and academic organizations. Red House Consulting also offers writing, editing and web content development support. She joined AIIP in 2001 and is a four-time coordinator of the association's annual conference. She can be reached at Jocelyn<at>redhouseconsulting.com.

Information Services where she provides customized business intelligence and secondary market research to companies who wish to make informed decisions. Her work helps to shape business plans, marketing strategies and new business development for a diverse set of clients, including high start-ups, technology companies, marketing strategists and small- and medium-sized businesses in all industries. Bancroft Information Services has recently partnered with additional consultants to offer assistance in developing SBIR (Small Business Innovation Research) government grants. Her work in this area focuses primarily on commercialization strategies and market and competitive analyses.

Ms. Knight holds an MA in information resources and library science from the University of Arizona and a bachelor's degree in Renaissance/humanities studies from the University of California, Berkeley. Originally from England, Jan moved to Tucson in 1984 and worked in the advertising/marketing and publishing industries before starting her own business in 2001.

Red House Consulting (Washington, Pennsylvania). Established in 2001, the company serves clients in the business, academic and nonprofit sectors. For research and development (R&D) firms seeking to develop and commercialize new technologies, Red House provides commercialization feasibility studies, market research and analysis, business plans and U.S. government R&D grant proposal preparation. Red House Consulting also assists academic and nonprofit clients with organizational assessment, strategic and operational planning, board development and project management.

Principal consultant Jocelyn Sheppard has extensive experience in technology transfer, strategic planning, project management and writing and editing. Prior to starting Red House Consulting she worked at the National Technology Transfer Center in Wheeling, West Virginia. She received her master's degree in library science and Ph.D. in English from the State University of New York/Buffalo. She is a member of the Association of Independent Information Professionals, the Pennsylvania Association of Nonprofit Organizations, BoardSource and the entrepreneurial organization TiE Pittsburgh.

Question & Answer Section

Q: *When you started your business did you deliberately go out to market yourself to these types of clients or did something happen in your business where it became clear that these companies needed your services?*

Jane John (JJ): I was deliberately targeting engineering firms based on past corporate library experience; however, I was not targeting small and medium-sized firms directly. Once I happened on a few projects for this size client, I found a network of professionals and supporting organizations that gave me referrals to more.

Jan Knight (JK): I originally assumed that larger companies would actually be able to afford research and be savvy enough to know its value, but sometimes reaching the larger companies and convincing them of this was a challenge. I found myself being contacted by small companies and start-ups, in part due to the way I was networking and the types of business people I was meeting. Early in my business I changed my focus to small businesses, consultants, start-ups and entrepreneurs.

Jocelyn Sheppard (JS): I knew that I wanted to leverage the skills I had developed while working at the National Technology Transfer Center. In fact, my first client was the NTTC, and contacts I made there led me to my next several clients. People in the high tech sector in West Virginia tend to know each other, so my strategy from the start was word-of-mouth advertising. My consulting practice has expanded into other products and services as I've been introduced to individuals and organizations outside the high tech community.

Q: *How do you reach and/or meet your target clients – especially those applying for U.S. government grants like Small Business Innovation Research grants (SBIRs) or planning on selling their product to the government?*

JJ: I found it was important to align with some of the state or local organizations that also serve this client base. I have made my market research services known to state level technology groups (e.g., the Maine Technology Institute), to regional economic development offices and to other business consultants. I offer to teach workshops about online research

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to technology incubators, business acceleration forums, any place where early-stage tech firms – and, more importantly, the professionals who support them – gather.

JK: I market my services in a couple of key ways. To reach the entrepreneurs directly, I attend conferences and workshops for entrepreneurs and start-ups where they expect to meet consultants of all kinds who might offer valuable assistance. I also reach these same companies by way of volunteer mentoring and providing workshops to local business incubators, regional Small Business Administration-related agencies and groups who help businesses get established. I have also had a unique opportunity to partner with another consultant whom I met at the local business incubator. Her company focuses on government contracting help for small businesses, and as a member of her team of consultants, I have researched commercialization opportunities, competitors and market data for numerous SBIR grant applications.

JS: Regional technology-based economic development (TBED) organizations often pay for their small high tech clients to receive technical editing and writing support on SBIR and other U.S. government grant proposals. These TBED organizations will also underwrite the cost of market research, commercialization studies and business plan preparation. Sometimes I encounter small companies that I direct to their nearest TBED organization; other times the TBED organization contacts me to initiate the engagement with the small company. In Pennsylvania, Red House Consulting is a preferred provider for the Innovation Partnership consortium (http://innovationpartnership.net/), which focuses specifically on support services for companies seeking SBIR/STTR program support.

Q: *How big a part of your business is taken up with working with these types of clients?*

JJ: Only about half of my client base comprises small technology-based businesses. Since their information needs are not constant and their ability to pay for services is sometimes limited, I strive to be sure another portion of my business is for more established firms with recurring information needs.

JK: I would estimate that start-ups, entrepreneurs, tech companies and small businesses provide about 80 percent of my business. I have historically marketed myself most aggressively – and successfully – to these groups and I've achieved good name recognition in the small business community. Future plans include devising ways to similarly engage larger companies.

JS: The TBED organizations constitute approximately 60 percent of my client base. Of that 60 percent, about 90 percent of the projects are on behalf of the small high tech start-ups. My other clients are in the educational and nonprofit sectors.

Q: *What are some of the challenges of marketing yourself and your business to these types of markets (entrepreneurs, start-ups, other consultants, etc.)?*

JJ: The companies or entrepreneurs themselves are so busy in start-up mode – and so focused on their R&D or product – that they often don't think about market research until a potential funder or another business consultant suggests they need it. It is often more successful to market directly to other business consultants and business support organizations. I rarely market directly to an entrepreneur or start-up firm.

JK: Some marketing challenges of course are not unique to this particular group – things like constantly needing to be seen or heard in order to be "top of mind" when they need research services. However, challenges for me have been convincing small businesses or an inventor of the value research can bring to their business plans. Start-up companies are often referred to me from other consultants or agencies but I do still market myself to entrepreneurs directly.

JS: The TBED organizations are often very busy dealing with large portfolios of client companies, so it can be hard to stay on their radar. In terms of networking and meeting new people, coming up with an effective elevator speech can be difficult. One good thing about entrepreneurs and small business owners is that they usually enjoy talking about their companies and their innovations, and I've learned that it works best to ask them a couple of basic questions about their ventures – and then just sit back and listen.

Q: *What are some of the unique opportunities or benefits you've had in working with these types of clients?*

JJ: Entrepreneurs inject enthusiasm and jobs into the local community. It is satisfying to see your local business news cover a company you helped with market research, especially a company that is now expanding or creating a spin-off venture.

JK: It's wonderful to have been part of clients' success stories. One of my earliest and repeat clients was a self-taught inventor who developed an innovative medical device. He has since received various forms of funding, and his product was recently named one of the "Top 10 Inventions of the Year" in *Popular Science* magazine. This benefit speaks for itself and makes work fun.

JS: Thanks to the support of the TBED organizations, I get to work with small companies that otherwise could not afford my services – at least not at the critical early stage when they really need market research and analysis. It's also very satisfying to be able to work with brilliant engineers and scientists who've often worked decades in industry, and now have the creativity and vision to launch their own ventures. Each client requires a special mix of research, analysis and strategic recommendations and sometimes requires the use of external specialists (e.g., financial accounting, website and database design and primary research). I find it especially satisfying that they trust Red House to provide this integrated solution.

Q: *What are some of the challenges of working with these types of markets (entrepreneurs, start-ups, other consultants, etc.)?*

JJ: Early-stage companies need assistance across a variety of areas: business development, funding, management and marketing come to mind. Research is only one service they need. If you plan to work with this sector, plan on wearing many hats, or network with others who can serve these clients so you can make appropriate referrals.

JK: One obvious challenge in working with start-ups specifically is often the lack of funding to pay for consultants; thus it's necessary to position ourselves as offering as much or more value than traditional consultants, such as intellectual property attorneys, business plan writers and marketing strategists.

JS: A major challenge is the entrepreneur's and the start-up's enthusiastic belief that they will be able to successfully market their new product to the military, to federal agencies and to industry for a multiplicity of uses – all within the first two years of operation! It requires persistence to get these clients to narrow their focus (or otherwise prioritize their target markets and customers) so that my market and industry research can really be useful in supporting their decision-making.

Q: *What tips would you offer your fellow IIPs for working with these clients?*

JJ: One of the main differences with technology companies, large or small, is that their product is often a technology advance or application that becomes part of another product, that is to say an "enabling" technology. Their ultimate market is often not the consumer, but another technology firm. So "competitor research" may become "partner research" – helping the company look for potential partners that may want to incorporate the new technology to help make their own product faster, lighter, more secure, less expensive, etc. It's an excellent opportunity for information professionals who have a science or engineering background and are also interested in business research. Tech entrepreneurs also may need to scope a wide range of potential applications to determine if there are multiple opportunities for technology commercialization. And they invariably need a global, forward-looking perspective. Sometimes the research task is "technology in search of an application." It can be very creative, cross-disciplinary research.

JK: For the tech company relationships, unless you possess a technical background, I would offer that an element of success is to be willing to detach yourself from the technology and not expect to fully understand it, but at the same time grasp the concept well enough to perform the necessary research. These relationships often offer the opportunity to extend oneself outside of the research box, and this can be very fulfilling.

JS: Don't offer these clients a soup-to-nuts solution in one phase. Scientists and engineers particularly appreciate an iterative approach to market research, industry analysis and commercialization strategy development. For these clients, I typically offer a staged engagement consisting of an industry/market overview, a closer look at two or three industries and then an even closer

look at competitors, competing technologies and potential licensing and marketing strategies. This approach enables the client to analyze initial findings, ask new questions and provide the always important technical perspective. It's worth remembering that these clients usually have an enormous amount of knowledge to share about their technology, competing technologies and how these technologies are used in specific industry sectors. It's up to the IIP to elicit this information in a way that helps define and focus the research task, while also testing the client's assumptions about what is or is not likely to succeed in the marketplace.

JJ: Anyone going into this market niche needs to feel comfortable with doing telephone research or collaborating with someone who specializes in telephone interviews. Often fledgling tech businesses are doing R&D that is not yet well covered in published market or business reports. In order to find information on potential applications for a new technology or on potential partner companies, you will need to do research at the margins of the published research, and that will likely involve telephone research.

JK: Make sure people really know how you can help them. I recently finished a project for a new client, a colleague I'd actually known for years.

She and I were having an informal conversation where she was helping me brainstorm a specific marketing strategy for my business. The end result was that she learned something about my business she didn't know before, realized she could hire me and did so. The result was a testimonial from her saying, "Very, very excited and SOLD on what and how you do what you do." It made me realize that we don't always do a good job making people aware of the full scope of our work and the benefits we can bring.

JS: With any type of research project, you need to budget enough money to pay for fee-based database searches, market research reports (in their entirety or "by the slice") and other market- and industry-specific data. This is even truer of projects dealing with new technologies, since analysis of their market potential and trends is less likely to have made it to the free business literature. For one recent project, I joined a trade association in order to obtain an important industry report; bought a trade directory to quickly identify key competitors; and purchased several hundred dollars' worth of market projections. For this project, I included a budget for the market projections and trade directory and received permission from the client to add the cost of the trade association membership to the agreed upon project cost. ■