



**SPI 341**

# How to Become an Inventor Entrepreneur with Ryan Gorman

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Ryan Gorman: So basically, if you create a product that gets used more than someone's toothbrush, that's a good way of figuring out if it's going to be a viable product or if it's something that will just be a trinket that somebody will buy and sit on the shelf and never touch or maybe not even buy at all. And that doesn't necessarily mean that everybody has to use it twice a day, period . . .

Pat Flynn: You're listening to Ryan Gorman, who is an entrepreneur, an inventor, and somebody who has made a business out of selling his ideas and actually creating physical products and I wanted to invite him on to share with us a little bit more insight with how he's done what he's been able to do, to hopefully inspire some of you who, whether you have an audience already or not, whether you're doing digital products or not, to potentially start thinking about, well, how might you be able to expand and diversify your portfolio with potentially a physical product or an idea even, and making money through that?

We had [Stephen Key on the podcast](#) a long time ago who talked about selling your ideas—and one of his ideas was the Teddy Ruxpin. Stephen is an old school marketer; Ryan's in the new age of entrepreneurship and inventing and how to work with that line. So we're gonna chat with him today.

But first, hit it!

Announcer: Welcome to the Smart Passive Income Podcast, where it's all about working hard now so you can sit back and reap the benefits later. And now your host—when he's bored, he practices Fortnite dances—Pat Flynn!

Pat Flynn: Welcome, and thank you so much for listening to the Smart Passive Income Podcast. My name is Pat Flynn, here to help you make more money, save more time, and help more people too. Today, we're talking with Ryan Gorman, who I actually met randomly at a coffee shop on my way out from Franklin, Tennessee. I was there to film with Michael Hyatt, and I wanted some coffee before my flight. And I went in this coffee shop and Ryan comes up to me, I didn't know

who he was, and he said, “Pat, thank you for what you do. I listen to your podcast.”

And then we sat and talked for a little bit, and he told me his story. And wow, I was blown away. So I invited him right then and there on the podcast, and we were finally able to make it happen. And at the time, I didn’t even know I was going to be inventing something. So I think it was kind of just divine intervention, and so I’m so glad that he’s on the show with us today. Let’s just dive right in and welcome Ryan Gorman.

Ryan, what’s up? Thank you for joining me and the audience here on the SPI Podcast. Thanks for being here.

Ryan Gorman: Thank you, sir. Thanks for having me.

Pat Flynn: Yeah, this will be a lot of fun, and I had just told everybody who is listening about how we kind of met. And I’m so excited to have you on the show because you are doing things very differently than most people in the world of entrepreneurship. You’re not just an entrepreneur, you’re an inventor, and not just an inventor who comes up with ideas, but an inventor who also has a lot of marketing knowledge to get those ideas to market, and a lot of the ins and outs.

As many of the audience knows, I’m working on a sort of secret physical product myself, and this will be as much of a conversation for me as it is for other people who may be going down this route as well. I think there might be also, similar to me, people who have built audiences where digital products are great, but there is room and opportunity for physical products. So we’re going to dive right into that. But first, how did you get into inventor-preneurship, if we want to call it that?

Ryan Gorman: Well, it really came very naturally to me. What I did in my, I call it kind of like my previous life, is I was in the music industry and I toured for a little over a decade as a sound engineer and a guitar tech and drum tech. A little bit of a musician in there, but when I got

married, I needed to do something that was not traveling so much. My wife and I moved to Nashville, and I met some people here, and I ended up working at a company that produces sporting goods, in particular coolers and now drinkware.

And I was hired to do marketing, hired to build their website, build their ecommerce platform, but I really kind of fell into, naturally just by being an outdoorsy guy, fell into testing their products and developing their products. And it just kind of came naturally. And once I left that company, the current owner sold it, and when he left I started another company with him. And we just kind of snowballed inventions. And before you know, it's a few years later and we've got products out there under that company, I've got products that I've created on my own out there.

It really just fully consumed me, and I learned about the 3D printing, which we may or may not get into later, but it's really just captivated my attention completely. And it's something that anybody can do. I don't think people realize that, but you really can just have that little light bulb idea in your head and go make it now. I've really just embraced that and just dove headfirst into it. And here we are years later, still rocking.

Pat Flynn: That's cool. How many inventions would you say that you have at this point?

Ryan Gorman: I would say, inventions, probably fifty or more. Good inventions, probably somewhere around ten I'd like to say are actually decent. But the thing is, it's so quick to either prototype something, or draw something, or just get the concept out there, that you can just take brainstorm time, but just spend it inside of a 3D space just drawing stuff. Sometimes you'll hit a home run and sometimes, you know, swing and a miss. But we live to play another day, so to speak, so you can always just create what is good, run with it, and what is bad, accept the fact that you failed, and let it go and move on.

Pat Flynn: What was your first sort of invention that you did on your own?

Ryan Gorman: It's out there for another company and I don't want to go too deep into it, but basically I designed a bottle/can koozie. And I was so proud of this thing, and I created it on my own, and I really should have patented it. And I didn't know this at the time, and I took it to the company and they were like, thanks. And now it's a product that's everywhere in their distribution network and I don't see anything from that.

But that's why we say we live and learn these things. So I kind of got burned on that one, but that was my first product that I really went in there with a full out concept of this is how it needs to be done, and they did it, and they executed it really well. At that point in time, I wouldn't have had the skills to really create it myself anyway. But that was 100 percent my concept, and it's out there, and it's cool to see it out there but I should have protected the IP on that.

Pat Flynn: Yeah. We'll talk about protection and the process from idea to market in just a minute. I'm curious, are there any inventions that you can share that we may even know about?

Ryan Gorman: Well as far as products that I helped design, the biggest product that I had a hand in helping design at this point is a drinkware item called [the Orca Chaser](#), that is basically a vacuum insulated tumbler. That company was very successful in selling that. I can't take full credit for that, that was just something that I was a part of developing.

But after that, one of the coolest products that I've had a hand in developing that I can share is one that is a multi-connection battery terminal, and it's for people that have RVs, or four wheelers, or fishing boats, golf carts, anything like that, you name it. And you're constantly, as you add things to this, you're just stacking electrical leads onto the one bolt of your battery, and we've created a system that is lead free, so it's not toxic. And you can attach it to your battery. You can attach all these different connections, up to five of them individually, and you can manage those connections individually, adding and removing things, without disconnecting everything else. Or if you need to change your battery, just pop a one bolt, pull the whole unit off. You can swap your battery out and

put it back on, and you're good to go there.

So for people that are outdoors a lot, fishing and hunting and just outdoors in general, it saves them a lot of time and also a lot of troubleshooting because you can quickly keep stuff organized and troubleshoot as connections fail or batteries die, that kind of thing.

Pat Flynn: When it comes to getting ideas for physical products like this that could then become inventions or patented and then sold, are the best ideas the ones that come as result of you sitting down and going, "Okay, where are the pains and how can I solve those pains?" Or do the best ideas—and is it easier if they actually come from your own life and the things that are just bothering you that you feel you can have a hand in making it more convenient or done in a different way?

Ryan Gorman: Sure. In my opinion, it is what comes naturally to you. For people that are in the marketing world, or I want to say in the click funnel space in particular, people talk a lot about, you're an expert in something, you're an expert in you. Whatever your interests are, you're that expert. And it's really the same thing in this market. It's just, I don't think people realize it's not that difficult to grasp an idea and run with it.

And you really can do that, and for me that's what it is. A lot of my inventions are drinkware or outdoor related. I have, and I don't want to use a trademark here, but it's kind of like a Thermos-style flask, but it's by far the highest performing one that's ever been made. And I have another one as well that . . . These are just getting ready to go to market, so that's awesome. The tooling is all done, but it's basically a can koozie that you—we call it [The Weekender](#). The whole idea is that if you take it camping, it's one thing that does everything. So you can put a can in it, your beer, Coke, whatever you have, keep it cold during the day. You wake up in the morning, want to have coffee, there's a lid that fits it and it all stores underneath. It's just that. So it's kind of just my lifestyle, my hobbies, my interests. I have some music products as well, and they all just kind of flow naturally to me. That can easily be whatever your



interest happens to be, whether it's auto or golfer, you name it. Find what annoys you and fix it, basically.

Pat Flynn: How much money might one need to invest to go from—and I know it obviously depends on what the product is, but can you get started with a small budget? Is this even a conversation, that anybody who is struggling for money or just doesn't have a huge budget to experiment and try new things with, can they even start thinking about this or is there no room for that? Do you need a significant amount of capital to get started?

Ryan Gorman: The awesome thing about this is that today, you really don't. And I can't speak for how this was a decade ago or twenty years ago, I wasn't in the space, but now you can go online, there's a software called [Fusion 360](#), which is a 3D modeling software. It's free. If you're doing under \$100,000 a year, it's free if you want to go get it. And that will basically . . . I mean, it's a very intricate program, but there's lots of YouTube tutorials. There's lots of stuff out there where you can teach yourself to draw in 3D.

And as far as 3D printing goes, I have a couple microphone clips that I've designed. I can produce those on a 3D printer for under \$5 and they're selling \$15 retail, \$10 wholesale. I can produce it under \$5 on a 3D printer without investing in tooling. So I have no real upfront costs. And if I sell that online and say that it ships in seven to ten business days, and once a week I send the orders to my 3D printer, the guy can print almost 500 of these in a day. So I'm not sitting on inventory. I don't have a warehouse; I don't need it.

You really can, depending on the part, of course—if it's something huge, then you'd probably be better off to tool it than have to invest in it. But for small parts or things that . . . There's also different limitations with 3D printing, or I should say freedoms, in 3D printing that allow you to go against traditional methods of manufacturing that you can't do with molding techniques, so to speak.

So even if you're not the best at drawing mold ready stuff with draft angles and tolerances and all this kind of stuff, you can still 3D print

it. So if you can get yourself in the ballpark, you can get out there, get started. And then if you make a bunch of money off of it, then maybe it makes sense to invest in tooling and bringing your part cost down and scale that way. But you can absolutely get started without huge amounts of outgoing dollars.

Pat Flynn: Where might one find a 3D printer person that can help them? Is it just as simple as an online search in the local area, or can you even do it remotely and have people send you what they print out?

Ryan Gorman: Sure. There are websites. One is called [3D Hubs](#), and that is a place where basically you can go online, they have a network of makers which are people that have 3D printers or CNC machines, laser etchers, whatever the machinery is, and they have all nondisclosure agreements signed with them. So they protect . . . I wouldn't necessarily take something if it's a huge billion dollar innovation, I would not do this, but for the stuff I'm doing, I can go to 3D Hubs, I can load it up there, and I can have parts at my door in five days. It's not that big a deal and the part cost is low. Anybody can do this. You just upload your file and they'll sub it out to somebody closest to you that has the type of machine you're looking for, and it shows up in a nice shiny box on your door.

Pat Flynn: That's crazy. So my partner, Caleb and I . . . [Caleb](#), a lot of you know, is the videographer that I'm working with for my YouTube channel and other video things, online courses and whatnot. We're creating a solution in the video space, and we're working with the team from [Prouduct](#), Richie and a few other people there. [Richie Norton was on the show previously](#), and this was the only other time we've ever talked about physical products and things like that.

So we're working with that team, and the engineer has access to a 3D printer, and that's how we've been getting our prototypes. I got to say, it's just the most incredible feeling to have an idea, to see some drawings for it and go, "Okay, yeah, that's maybe what it's gonna look like." And then a few days later, you get a package and it's like actually there in your hands. It's just like, plasticky material, but it works. You're just like, this is so crazy. You can really take



what's in your head and actually turn it into something.

And then hopefully, obviously other people would want the same thing too. But we've gone through seven or eight different variations of the prototype, and I think that that phase is so important. So let's talk about kind of the lifecycle of an idea that a person might have for something that they could create and potentially sell a physical product after you get the idea for it. What might the next steps be? Do you do any validation for that product or like, do you go straight to prototyping so you can just at least get it in your hands first? What are the next steps after you have an idea?

Ryan Gorman: Well for me, it really depends on this size, like the physical size of the product. 3D printing on a mass scale is still pretty expensive and there are typically other means that are more suited for that. If it's something small, I'll go ahead and print it because it's gonna be such a low investment for me. I can draw something on my computer in thirty minutes or an hour, what have you, send it off, and then let that simmer while they're printing and shipping it to me. I can go on to other things. Then I can come back and revisit that.

Pat Flynn: What if you don't know how to do the computer software? Can you potentially work with somebody to help you with that?

Ryan Gorman: Absolutely, yeah. The only thing I would recommend first is get yourself a good non-disclosure agreement and get a large pen and have everybody under the sun that you talk to sign one of those. Make sure that you . . . one of the things that I really want to stress is what's called public disclosure. That's where people get this idea and it's a light bulb and they're proud of it and they go and they tell everybody under the sun. If you do that too fast, you can actually ruin your chance of getting a patent. You've got to be careful with that. There are people all over the place, basically drafters that can draw this stuff for you. You can sub it out or you probably know people that do it and you just don't realize it, people that work for tooling companies or even architecture people. You can start in a 2D space and move to 3D if you need to or vice versa, however it needs to be manufactured.

- Pat Flynn: Cool. You get somebody to draw it for you or you draw it yourself and you can get a prototyped version of it, after obviously whoever you share it with, you have them sign an NDA, a non-disclosure agreement. You get the things back and it's obviously not the final version. It's in your hands. What are some things that you should look out for? How do you work with that prototype to make whatever it is you're creating better?
- Ryan Gorman: The main thing that I want to do first is make sure that whatever material I see in mind for the finished product, that it's gonna be durable. Once again, I'm in the outdoor space for the most part. I can't sell somebody something that they're gonna go 200 miles off the main road and then it breaks. For me, durability and usability, functionality is number one. I want to see that happen at the beginning. If I can make a plastic part that won't fail, chances are the metallic part that is the end product will be just fine. That's really where I start, number one. After the functionality is proven, then I go back and revisit and look for design features and is this thing ugly or does it look good? Is it ready to go? Am I manufacturing it in a way where I need to include draft angles and tolerances or can I just go ahead and run with it? There are lots of things to consider after that point. The first thing I do when I get a part is just of course give it a once over and make sure everything is right and measure the 3D print as well because sometimes there can be a little bit of drift in there. If the tolerances of the print are right, everything looks good, I want to make sure it functions, number one.
- Pat Flynn: Cool. Then from there, what might the next steps be? We want to patent this thing. Now that we have a final prototype essentially, let's get to that point. What might the next steps be? Can you potentially take that? We've also had Steven Key on the show who is an old school inventor, long time ago. I think he helped invent the Teddy Ruxpin and a bunch of other things from my childhood. He was saying that sometimes you can just have an idea or a prototype and you can sell that and you don't even have to go any further. You can license it and those kinds of things. Have you done that at this point yet, or are we not even at that point where that can happen?

- Ryan Gorman: I have, yes. I've got one product right now that we're able to produce it, but we're able to produce it in all spaces except marine. Basically, it is licensed to a marine distributor and they own that space. If it's an outdoor store that sells boating stuff, I can't sell it there. That is covered by this distributor. That is a licensing agreement in place there.
- Pat Flynn: How do you know about that? I'm assuming you have lawyers and stuff who do the research and understand the ins and outs of these particular industries you're getting into?
- Ryan Gorman: Correct, yes. I'm fortunate enough that my partner in this venture basically, he—gosh, I can't even begin to talk about this guy. He's probably the smartest individual I've ever met in my entire life. He's got I want to say close to fifty patents himself. Very, very smart individual. That guy has been my mentor that has guided me through this whole process from day one basically. Somehow I landed in his house with my very first invention and we've just done everything together since, every step of the way.
- Pat Flynn: What would you say to somebody who's like, "Man Ryan, that sounds great for you, but we don't have a partner like that. This doesn't even sound like something we can do, or is it?"
- Ryan Gorman: I would probably at that point go to a patent lawyer. You can do that and there's definitely a cost involved with that. You can try to write it yourself, but the problem with writing it yourself is you're probably going to leave a lot on the table that you didn't realize you could claim. Or if you don't research enough, you might not include prior art that's already out there and your patent could be rejected because of that.
- Pat Flynn: What's the purpose of the patent in the first place?
- Ryan Gorman: It depends if it's a utility patent or a design patent. Design patent basically is your ornamental features. A good case in point would be Yeti Coolers versus Arctic Coolers where they sued Arctic over basically almost imitation, so to speak, because the consumer was

confused as to which product they were buying, was one of the claims. Basically all they had to do at the end of this multi year, who knows how much money lawsuit, was change the appearance, just the physical appearance of their product. That was really it. I'm sure there's probably some restitution or some kind of payment back and forth to cover that. Basically a design patent is just the visual of the product.

Now, if you can get a utility patent, which I really try to focus specifically on utility patents because then you're owning that space, it's not a commodity at that point. Nobody can just change the look and enter that market alongside of you. You own the beast, so to speak. That's what I try to focus on, are utility patents where I can create the product and then really it's up to me as to how I want to handle that. They're two completely different animals. A lot of times they go hand in hand. You'll get a utility patent and you'll do the design patent along with your utility to cover the visual, the visual representation of your intellectual property, if that makes any sense.

Pat Flynn: How long does it take to get a patent? Let's do the utility.

Ryan Gorman: Sure. The pending aspect does not take that long at all once it's written, of course. You have to get it written first and then sent out. That can be anywhere from a couple weeks to a month, a month and a half, somewhere around there. To actually issue can be several years. You're covered during that patent pending time. That was with public closure and all that stuff, you have to wait until you have your official pending application back before you can officially claim patent pending.

Pat Flynn: Or else . . . ?

Ryan Gorman: I believe it's fraud. I believe legally speaking, it is technically fraud. If you just create something and throw patent pending on it, I'm pretty sure there are some legal implications with that.

Pat Flynn: Is that protecting you from others copying it as well?

Ryan Gorman: Yeah. The thing with the patent pending is, your application, basically it establishes a filing date as well. It used to be if you could prove somebody created something or you created something before somebody else, you could try to dispute that. The law changed, and forgive me for not knowing exactly when, but the law changed to where it's now first to file. If I have an idea for something and I filed a patent pending, I get the paperwork back, I claim patent pending either on the product or the packaging, somewhere where it's visible and then I put that out in the world and somebody sees that and goes, "That's a cool idea," and they copy it. Then I have the ability to prove this is the date I filed on it. I made it apparent that the product is patent pending. Another thing with that is that patent pending is not published. People don't know what your claims are or what intellectual property on that product is yours. It's a little bit of a scary situation for them because they don't know if they're gonna be infringing on you or not.

Pat Flynn: Got it.

Ryan Gorman: It's basically a deterrent to keep them from copying your product while the government processes it.

Pat Flynn: Interesting. We get the patent pending, that's gone through and then we can now share it. Is that at the point which we, if we were to go into market for it for example, we can actually say patent pending and print patent pending and all that stuff?

Ryan Gorman: Mm-hmm, absolutely. Yep. That is the reason that exists, so you can cover yourself and you can get out there in the market and get started without having to wait on the backlog to be processed.

Pat Flynn: Now, getting this to market. Let's talk about that. I know you have expertise in that. You invented or have come up with this idea, you've gotten a prototype for it, you filed the patent. You got that back, it's patent pending. Which way do you go? This is the way that Caleb and I are gonna promote it. We're gonna run it through Kickstarter because it's a great platform for idea validation. We can raise funds before we can create the tooling and the molds and



stuff, which are very expensive. At that point then, it just becomes injection molding to reproduce it and create it at a much lower price, versus our prototypes are in the thousands of dollars of range, just because it's hand-tooled and handmade. That's why we're doing the Kickstarter, to raise money to create the molds and then reproduce it and just start printing it out for everybody. How would you market a product when you get the idea?

Ryan Gorman: Well, it really depends on a lot of factors. I've got one product right now, for example, that I know absolutely in my head it's a home run. In the market that it's in, the leader in that space sells somewhere between—and it's hard to find exact numbers, that's another thing. There's somewhere between around 300 and 500 million dollars a year as a company. I would assume this product line is probably half of that. In my mind, why would I try to compete with that when I can just go to them and get their attention, get them to sign these non-disclosure agreements as well, and then show them the product that I've got? If they like it, which in this case, I'm still negotiating this, but so far it's been very well and the company likes it and we're moving into the contract phase on this. If they like it, I don't want to compete with them. I want to boost them and get them higher. Everybody wins in that situation. This product will be very expensive for me to manufacture myself. I would have to have a warehouse. I would have to have a sales team. I would have to have distribution, all that kind of stuff.

In that particular regard, it's better not to fight the fight. It's better to join the winning team, if that makes sense. For another product that I have, which I've designed and by the time this airs, I can officially say it's patent pending because the paperwork is going out this week. But I've designed a couple different microphone clips for live audio. For these, I really don't want to go the route of trying to license that. That's something that I can produce very inexpensively and I can just take it to market myself. I'll do that through probably Shopify. I'm fortunate enough through my career in audio that I can get this in the hands of some pretty well known guys and they can put it out on stage for me and get pictures. I'll have good content. I'll have that social proof from these guys using it. I have all the



elements necessary to run a successful Facebook ads campaign or something like that. In that regard, I can just take it straight to Shopify, sell it myself.

Pat Flynn: For that one, would you have your own separate company for that product, or are you running this all under another umbrella company?

Ryan Gorman: I basically have two companies. I have one that is shared with my mentor that I was referring to earlier. Basically we split IP fifty-fifty. If I sell this, I will be responsible for paying a royalty to him and myself through our separate company, if that makes sense. I'm able to go out and sell whatever I want as long as I'm paying a royalty to myself on the other side. That way it's all even. His share is compensated as well and everybody is happy and everybody wins.

Pat Flynn: Then for the other one with a contract with these various companies that you're gonna try and work with, that's done through the same company?

Ryan Gorman: Correct. That's done through the company that we have that actually owns the IP of the patents and all that stuff.

Pat Flynn: Then you create a contract—I'm sorry.

Ryan Gorman: That's okay.

Pat Flynn: I'm just curious to know what that contract might look like. I'm sure there's obviously negotiations and what not. Is that an outright, "We want that"? "We want to buy the IP from you. Here's a bazillion dollars," or is it, "We'll do 1 percent of all sale?" The worry I have is people will get super excited about this episode, they'll go and create something, they'll get a deal with another company, and they short change themselves. I want to know what all the other options might be to make sure that it's fair on both sides. What do those contracts look like?

Ryan Gorman: Sure. Basically how this particular scenario played out is that I reached out to this company, set up a meeting with them, which

some companies are very receptive and some companies will just shut the door in your face. They don't want to hear outside ideas. They don't care if your product is better than theirs. They just don't want to hear it. When that happens, accept it. Don't be emotional about it. It's just business. Then move on to somebody that is willing to hear you. In this case, I went out there, showed them the product, they liked it, we came back. They wanted some time to think about it internally. They took a few weeks and thought about it and then said, "Yes we want it. Let's make it happen." Right now we're in what is called the letter of intent phase, which is basically they are going to have an internal R&D period and internal validation time where it's not just them prepping to go to market, it's them really getting time with the prototype, time with the IP itself, to really dive into it and see if it fits their brand, fits their product image. Then if so, then they'll go to market.

During that letter of intent period, there is a payment due during that time. It's nothing extravagant. Basically it's them buying the time that I'm losing in market because the patent clock ticks as soon as that file paperwork goes out the door. Your clock is ticking. That is something to reserve that time, so I'm not gonna go try to sell this out from under them, but at the same time they have the freedom up to, in this particular contract, up to eighteen months they can take to develop this in time and get it to where they want to be. Then at that point it'll go to market and we need to have a conversation prior to that of, is it going to be a straight licensing deal? Is it going to be a straight buyout? Or is it going to be what kind of works for everybody, where it's a little bit of a staged buyout? So, if they owe you ... I'm just going to pull random numbers here, but let's say they owed you \$1,000,000 in royalty for this year and they paid you a purchase price of \$10,000,000 to buy the patent. So you get \$2,000,000 up front, you own 80 percent of the royalties. If the royalties were \$1,000,000 you'd be due \$800,000 in royalties. They can buy down that equity over time.

So, for them it's a little bit of a risk management system. For you, it's a little bit of a commitment to them to show that you're not just out just trying to sell them something and run with the bag of cash.

You're actually wanting to see a product come to life and you're willing to be there and help them as well, as much as they may or may not want you to.

Pat Flynn: Yeah, that's cool. That's really interesting. Do you feel that, or have you even experienced this, where you go in and it's a product that you've worked really hard on . . . Like, I can't even imagine this happening with my own, maybe not with this one that I'm working on right now because I'm not known as a videographer, but it is still a product. So, I'm just curious, have you ever experienced where you go in and another company wants it but you're like, "This is my baby. I can't separate myself from this." You know, I worry about that getting in the way of actually taking advantage of some really good opportunities that are out there.

So, how do you balance like, these are yours and your ideas versus the hash out on the other end? Maybe there's the opposite of it. I mean, maybe feeling slimy selling it because it is your own. I don't know. I'm sure there's a lot of emotions that come into play when these deals are made.

Ryan Gorman: Sure. For me it's not so much that that is the case. How would I say it? I need a minute to think on that one.

Pat Flynn: Yeah.

Ryan Gorman: Basically I don't feel slimy about selling a product. I don't feel that there's anything bad that comes from it. It's really cool to create something and put it out there and if somebody likes it, to take it and run with it. What I have a harder time dealing with is when I create something . . . I had this happen one time and I created something, it was just an absolute, in my opinion a home run of a product. I've found the leader in the space, I've got a hold of the director of R&D, they sign a non-disclosure, I put together a killer presentation, delivered it, and it was just crickets. They totally didn't understand it, didn't get it, and walked from it. I'm still sitting on that idea right now and it just completely blows my mind that they didn't take it.

So, more than putting them out there and having them go and letting your kids kind of grow up and go out on their own so to speak, it's harder when you know that you've made something that there's a huge value to in the world and it doesn't go. That's the harder part. So, in this particular product, basically I've created a solution that stops vehicle theft of firearms, guitars, cameras, laptops, whatever have you. I've completely . . . You'd have to sit there for a while if you're going to try to steal this thing. It's not just a smash and grab scenario, and I found the leader in protective gear and they just didn't want to do it. All they would have to do to their existing product to make it happen is just a little bit of a slight modification. So, very, very minimal effort on their part to make it work and it would've . . . You know, I see all the time from my music experience, people that are chasing stolen guitars. You know, trying to find their gear that's been stolen or the same thing with firearms, people that get their cars broken into or cameras stolen out of the back, whatever have you. This would totally fix that and I'd thought for sure they would take it.

Pat Flynn: That's cool. I like that idea.

Ryan Gorman: They didn't even give it the time of day.

Pat Flynn: So, you gave them this presentation.

Ryan Gorman: Yeah.

Pat Flynn: You showed them how much detail about what you were going to offer them . . . like, the whole thing?

Ryan Gorman: Oh yeah. Yeah. The thing is, it's so crazy simple but it's so crazy effective as well. That's why I walked in there like macho man Randy Savage thinking it was just going to happen, and it didn't. Wasn't the case.

Pat Flynn: Now, let's say that they now have an internal meeting and they go, "Man, Ryan's idea was really good and I think we can create something like it, maybe similar. Let's do it ourselves and not have

to pay Ryan anything.” How are you protected from that happening?

Ryan Gorman: Well, in that particular case I had a non-disclosure agreement. So, if they were to do something like that, I have a legal paper trail showing the date they signed it and of course I’ve got all the email chains and all that stuff showing the conversation back and forth. But really it comes down to what kind of a patent you have and how strong is it, because from their side of view—their Director of R&D or whoever this person might be—their interest is not in your patent. Their interest is not in your wellbeing. Their interest is in furthering their company. So, why would they want to pay you a royalty if they don’t have to?

If they think your patent is very weak or something they can easily get around, they’re in their right to do that as well, so long as they haven’t signed a document with you that states they won’t do that. Yeah, that’s where you gotta be careful with disclosure and what you tell people, and sometimes less is more. You know, feel them out and get their . . . How would I say it? Get their perspective on it and feel how interested they are and engaged they are before you give them everything, so to speak.

Pat Flynn: Yeah, wow. This is so crazy because for those of us who work in the digital space these aren’t really things that we need to worry about. This is why I’m almost very thankful that I’m mainly in the online space, but I do have a lot of fun with it. With this product that Caleb and I are creating, it’s so new and exciting and fun, the manufacturing and the materials. I mean, there’s so many things that pop up, like once you get the prototype it’s like okay, now what material do you want to use to actually create this thing? There’s testing on the materials to carry certain weights and durability like you said, and just like different materials equals different costs.

Any big mistakes that you’ve made that I or the audience listening don’t have to make, that you could share?

Ryan Gorman: Honestly a big part of it is going to be due diligence on your quality assurance. The biggest . . . I mean, I’ve been fortunate that I haven’t

had many full out failures as far as production runs go, but we had one product that we made where the lid of this particular item was supposed to be made out of a copolymer called Tritan and it was . . . The factory I think tried to sneak one in on us and they made them out of acrylic. Acrylic is not an ideal material for that scenario, and they started to crack internally and you could see it because it's clear. So, basically we had about 2,000 lids that were just complete and utter failures. You know, I've been fortunate that's probably the biggest hiccup that we've had, and that just came down to calling them out on it and getting it fixed. That's where having manufacturing partners that may not necessarily be the cheapest but they are good, sincere, genuine people, there's a lot of value that comes from that part as well.

Pat Flynn: That's cool. To finish off, for those of us who are now interested in getting started down this path, where would you recommend we begin? How can you kind of motivate us to keep going with it? Because I've already learned that this is not an easy process. This is something that has many different steps and many times I've always questioned just, "Why am I even doing this?" What keeps you motivated and what can you recommend to keep us motivated?

Ryan Gorman: Sure. For me, the motivation is easy. I get to wake up every day and watch my kid run around. I can be as active or as lazy as I want, but I'm still working. So, if I'm sitting on the couch with my face in my phone, my head is still thinking of products. If I'm mowing my yard, my head is thinking of products. So, it really doesn't matter where I'm at or what I'm doing, I can still be working in a sense. So it's kind of like, a lot of digital people are in coffee shops or traveling. I can do the same thing and I still just need my laptop if I want to draw something, but I can sketch stuff on my phone, or however you want to capture it, you can just be thinking of ideas all the time. So that is for me my motivation, but as far as really just getting started in it, the thing is . . . What I use at first, and it's kind of a modified version of it, but there's a test out there called the toothbrush test. Are you familiar with the toothbrush test?

Pat Flynn: No.



- Ryan Gorman: So, basically if you create a product that gets used more than someone's toothbrush, that's a good way of figuring out if it's going to be a viable product or if it's something that will just be a trinket that somebody will buy and set on the shelf and never touch. Or maybe not even buy at all. That doesn't necessarily mean that everybody has to use it twice a day, period, but think of that and apply it to your space. For example, if it's . . . I want to reference golf because that's something that's totally out of my element. I'm a terrible, terrible golfer.
- Pat Flynn: Most of us are.
- Ryan Gorman: Let's say you create a golf product and for you it fixes a problem that you have and it's something that either A, is a permanent product so you put it in place and then it does its thing or B, it's something that's a consumable and you're constantly needing to replenish it. If it helps you every single time that you use it, it's probably a great product.
- Pat Flynn: I like that. Thanks for that test. I'm going through the test right now with my product. I'm thankful that person would likely use it, who this is for, multiple times a day. So that's good.
- Ryan Gorman: Yeah. Honestly, one other thing I wanted to mention too, when we're talking about digital versus physical products and the . . . You know, I don't want to scare people away thinking that anybody can just quickly get around your patent and go make their product. I see that happen all the time in the digital space, where people create courses and they put it out there and then people just basically blatantly copy all of their content and reiterate it and sell it as themselves. I saw this first hand in the music industry where file sharing basically destroyed . . . You know, it's recovered but at the time, it just really destroyed the industry. So, physical products are as strong as ever. People are consuming on a daily basis. One thing I see happening is that people are making smarter choices now. It's not just more, more, more, more, more, but people would rather spend a little more and get something quality that's going to last and something that's very well suited for what they're trying to do,

whatever that might be.

So, the cooler the product is that you can create, the simpler the product as well. That's the same thing with like, Alexa. It's this crazy-complicated electronic device but all you have to do is say, "Hey Alexa." So, the most simple that you can make it in operation, that's going to be your key to standing out amongst other people, is how can you make it smarter, harder, faster, better, stronger, kind of thing. That's something that people really need to embrace when they do the design from the very beginning as soon as they get started. Just have that in mind. You know, simple is good. Simple is a very good thing.

Pat Flynn: Simple is good. That's true for both physical products and digital products as well. Man, Ryan, this is a great conversation. Super helpful for me. I know everybody else listening, especially if you've gotten started down this road already, it's very, very good information here. So, I appreciate that Ryan.

Ryan Gorman: Thank you, sir.

Pat Flynn: Where should people go to check out more of what you have going on? I think we had talked before recording that your Instagram would make the most sense.

Ryan Gorman: Yeah. Basically I have ditched a website. I'm trying something new, so I'm going basically just with Instagram and Facebook, but most of my time is spent on Instagram. So, Instagram is [@TheRyanGorman](#). On Facebook it's [Facebook.com/entrepreneurinventor](https://www.facebook.com/entrepreneurinventor).

Pat Flynn: Love it. Thanks man, appreciate your help and best of luck to the next fifty inventions and ideas and I'll keep you posted offline with my stuff, because I know you were asking about how it was going. All of you will likely hear about me and Caleb's idea in the near future, if not already. It could be out there by the time this episode goes out, we'll see. Anyway, thank you so much Ryan. Appreciate you, and best of luck.

Ryan Gorman: Thank you Pat. I really appreciate your time.

Pat Flynn: All right, hope you enjoyed that episode with Ryan Gorman. Again, you can find him on Instagram [@TheRyanGorman](#). Ryan, thank you so much for coming on the show, man, and helping me and the other entrepreneurs who are diving into this space and trying things out. It's definitely a different world for me coming from the digital space, but the physical product thing is really exciting.

Again, thank you so much for listening in, I appreciate you, and if you have an opportunity to check out the upcoming trainings I'd love to chat with you live and answer some questions for you amongst other students like you. If you want to check it out and see what's coming up all you have to do is go to SmartPassiveIncome.com/live. Again, [SmartPassiveIncome.com/live](http://SmartPassiveIncome.com/live).

To get the show notes for this episode, all you have to do is go to [SmartPassiveIncome.com/session341](http://SmartPassiveIncome.com/session341).

And hey really quick, one of my jobs here on SPI is to sort of discover new tools that can be potentially very helpful for your business, and I always use these tools first before I recommend them. You've heard me talk about things like ConvertKit and Leadpages and Teachable, things that now many of you are using quite successfully to grow your business. There's another one that I wanted to introduce you to. It's one that I've mentioned here on the show before, I've even had the founder on as a guest, and that is Casey Graham and his tool, AllGravy.io. [Full Disclosure: As an affiliate, I receive compensation if you purchase through this link.]

If you have any sort of online programs, online courses, membership websites, things where you ask your customers to pay you month over month recurring payments, then you might know that one of the biggest struggles in your business might be the failed payments that come through.

Now there are some automated tools out there that can help you with this but there's nothing like AllGravy.io, which has a team of

human beings—actually stay at home moms, which is really, really cool. They will, on your behalf, in a very friendly way, not like a call collector, payment collector, threatening kind of way—but they almost act as an extension of your team to talk to the people whose credit cards have failed, who just, for whatever reason their payments aren't coming through anymore. This is hole in entrepreneurship that a lot of people who have these recurring payment programs don't even know exists, and it's something that a good friend of mine, Amy Porterfield, talked about. I used AllGravy.io and man, it has saved me 76 percent of my failed payments, which adds up to tens of thousands of dollars, and it just literally is something that pays for itself.

So if you have an online course or a recurring program of any kind, you'd be silly not to use this. I highly recommend you check it out. You can see everything that's going on and schedule a call with Casey and his team over at [AllGravy.io/pat](http://AllGravy.io/pat). Once again, that's AllGravy.io/pat. You've got to check it out. [Full Disclosure: As an affiliate, I receive compensation if you purchase through this link.]

Thank you so much for listening and I appreciate you. I appreciate all the reviews that are continually coming in. You guys are amazing. Team Flynn, you guys are rockstars and I'll see you in the next episode. Cheers.

Announcer: Thanks for listening to the Smart Passive Income Podcast at [www.SmartPassiveIncome.com](http://www.SmartPassiveIncome.com)!



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