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**Inventions alone are not enough
to be successful**



Inventions alone are not enough to be successful, a fate shared by many German inventors in particular. Many fundamental developments now form the basis of the world of media.

1440: letterpress printing – Gutenberg;

1859: telephone – Philip Reis;

1887: record player – Emil Berliner;

1925: 35 mm camera – Oskar Barnack;

1928: tape recorder – Fritz Fleumer;

1930: television – Manfred Ardenne;

1941: computer – Konrad Zuse;

1951: scanner – Rudolf Hell;

1969: chip card – Jürgen Dethloff and Helmut Gröttrup;

1987: MP3 format – Fraunhofer Institut.

Source: Initiative “Partner für Innovationen” (“Partners for Innovation”), title “Deutsche Stars” (“German Stars”)

Apple, Canon, e-bay, Google, HP, Nikon, and Sony are just a few of the global brands which, as today’s worldwide market leaders, are reaping the long-term economic benefits of these principal inventions.

In addition to historical reasons, like World War II and the loss of factories and property rights, the varying approaches to innovation are also a reason for the low yield for German businesses.

Visions for the worldwide marketing of an idea open up larger volumes and with it economies of scale in series production, and bring a competitive advantage in the area of conflict between market and cost positions. An example in this respect is the video system from Grundig, which, though technically superior, was overtaken by the VHS from Japan, not only because of better international lobbying and networking, but because Asia ‘thinks’ in bigger dimensions. Furthermore, smaller margin expectations in the start-up phase generate additional market potential on the back of lower entry prices, and discourage other potential suppliers from entering the market.

The culture of risk-taking with regard to investing in sales and marketing is especially prevalent in many American companies. The unconditional belief in the free market idea is reflected in aggressive business plans. The initial high investment for revenue projections in the initial period frequently have to yield returns in a short amount of time. If the projected results don't materialise quickly, the business idea, and with it the company, is quickly dissolved again without this entailing any lasting stigma of failure. Thereafter the next new idea can be pursued freely and without any baggage.

Conservative variations of business plans assume only 5-8% of the revenue being spent on marketing budgets. Moreover, if the sales are only planned to a limited extent, the results are low absolute budgets. As a consequence the advertised product has hardly any chance to gain sufficient recognition in the mass media market. However, this is not merely a question of budgets, but also of ideas as to how to market the product.

Many good ideas die from malnutrition caused by a lack of courage and a lack of creativity – essential for worldwide penetration.

The principal inventions of automobile design by Otto Benz and Carl Daimler and many others have become the supporting pillars of the German economy, because global marketing was taken into consideration early on and was implemented. A compelling case example is the joint venture of VW-Santana Production in China, which was derided at first. Today the VW Group is one of the winners in the booming car market of the Middle Kingdom.

The system change to batteries and other power sources puts the mantra "Vorsprung durch Technik" ("Headstart through technology") in question again, despite the first electric cars having been invented over 100 years ago. In 1896 at the age of 21, Ferdinand Porsche received the patent for an electric wheel hub motor. Then in 1902, the hybrid drive came from Porsche. Nowadays, Japanese vehicles boast the highest market percentage of hybrid vehicles, even though there have been, and still are, many apparently significant arguments against it.

It is not the reasons why something won't work that are decisive for success, but rather the ideas of how something can function, which should also filter into the marketing campaign.

Essential developments in the so-called renewable energies were also initiated in Germany. Today, Chinese companies such as XINGLI are the big winners in the solar market. It is not only labour costs that allow Asian manufacturers of solar modules to flood the world market, but more importantly it is the conviction to have the ability, and having the will to supply the global market. Labour cost disadvantages can be made up for with intelligent, high quality processes and better quality.

Inventors and their companies should not only have innovative products and processes, they should also develop a vision and strategy for world-wide marketing and thereby strengthen their international network and lobbying. Moreover, the culture of risk-taking with an eye on payback, paired with creativity and a search for new channels for sales and marketing are effective means to success.