

>business

Swimming with the Sharks

Entrepreneurs get their feet wet as they cast their product lines into the *Shark Tank*.

BY CAROLINE KENNEDY

HERE'S A SCENARIO: YOU ARE AN ENTREPRENEUR WHO HAS LAUNCHED A GREAT NEW PRODUCT OR PRODUCT LINE. You've invested your heart and soul, and perhaps all your retirement savings and home equity into the development, manufacturing and marketing of your product. Through trade show appearances, an online presence and personal outreach, you've opened retail doors and gotten product onto store shelves. You want to take things to the next level, but are financially tapped out. Now what? Where do you look for additional capital and perhaps expertise?

For such entrepreneurs, it's a new era of opportunity—an era of reality TV. What *American Idol* and *X-Factor* are doing for recording star wannabes, *Dragon's Den*



Würkin Stiffs' Jonathan Boos made a deal with the Sharks in March 2011, pitching magnetic collar stays and men's accessories. Würkin Stiffs, 888.216.3973, www.wurkinstiffs.com
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The Sharks of *Shark Tank*: From left to right, Mark Cuban, Barbara Corcoran, Daymond John, Kevin O'Leary, Lori Greiner and Robert Herjavec. O'Leary and Herjavec have also appeared on *Dragon's Den*.

and *Shark Tank* are doing for some entrepreneurial businesses. The concept for the program, which has entrepreneurs pitching their business to a panel of potential investors, originated in Japan and has been adapted and adopted in countries around the world. In Canada, the program is known as *Dragon's Den*; in the U.S., it is the popular *Shark Tank*.

Many Call...

Dragon's Den made its Canadian debut in 2006; *Shark Tank*, the American version

of the program, first aired in August 2009 and got off to a slow start. Since that time, the viewing audience and ratings have grown as more tune in to watch average people just like them appear before the Sharks to pitch their products. The show drew an average of 7.9 million viewers according to Nielsen for Season 5 (2013-2014).

For the entrepreneur with a great new product, an appearance on *Dragon's Den* or *Shark Tank* means exposure to a national audience and the chance to procure the financial

backing and expertise to take the product and their company to the next level. Today, more than 35,000 apply through open casting calls and via online applications, up from approximately 1,000 applicants for Season 1, which ran for 14 episodes from August 2009-February 2010. And the application process is quite extensive.

Few Are Chosen

Out of those more than 35,000 who apply to *Shark Tank*, only about 150 are chosen, and even fewer of those selected actually get

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on the air; the *Dragon's Den* process is similar. "Wishing to pitch their Fairy Fastener bracelet fastening aid, Rhonda Francis and her sisters, Terri and Lou, auditioned. "We applied at the call for auditions for *Dragon's Den* in Calgary in 2011 the first time and did not make a call back," Rhonda Francis told *Gifts and Decorative Accessories*. "We were not deterred and came back the following year 2012 with a stronger brand and a finished product, not a prototype."

The range of people pitching the products is a mixed bag from experienced businesspeople to semi-naïve "mompreneurs" to charming youngsters, with even a celebrity or two thrown in for good measure and audience

appeal. And the business ideas being pitched represent a range of different categories, from services to food franchises and merchandise, among which a number of gift and toy products have been featured each season. For the viewer, the appeal is to see who gets the deal, who does not, and perhaps even who gets chewed up by a Shark, not to mention hear the variety of creative, innovative and even not-so-good ideas, along with a quirky personality or two.

Fewer Get the Deal

Of course, not everyone who pitches walks away with a deal; roughly more than half do not, but that does not mean that appearing on the program was not worthwhile. The exposure



Fairy Fasteners made a successful deal in 2012 on *Dragon's Den*, the Canadian version of *Shark Tank*. Fairy Fasteners. 403.500.0377. www.fairyfastener.com
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has created opportunity and increased awareness for the products that have allowed many to move their businesses forward without the aid of Dragons or Sharks.

Zach Crain, who appeared on the show in October 2012, seeking funding support for his company Freaker USA, was one such entrepreneur who departed without a deal. He was also one of the more colorful presenters to appear on the show; his appearance was very entertaining television. Although his business figures seemed solid, the Sharks seemed put off by his quirky personality and not-too-serious attitude. Crain, in his very un-serious way, told *GDA* that the impact on his business was all, "Golden! It's all golden! We've sold at least... two Freakers since our days on *Shark Tank*!" But seriously, the Freaker koozies and the Freaker team have made a successful stir at gift markets since that time.

Peddling in the Tank

Today's entrepreneurs have an advantage over those who appeared in the earliest seasons; they know more what to expect and can turn to those who have made appearances for advice. And what the viewer sees on the air is only a small snippet

of the actual presentation; each actual pitch puts the entrepreneur in the hot seat for approximately an hour. Although they are on the spot and nervous, it can be fun as well.

"It was great fun and I was on set for almost an hour," said Jonathan Boos of Würkin Stiffs, who appeared on *Shark Tank* in March 2011. "[But] you get



Grill Charms appeared on *Shark Tank*'s first season in 2009. Entrepreneur Leslie Haywood made a successful deal with Robert Herjavec. Grill Charms. 843.437.7079. www.grillcharms.com
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to see an ABC-edited version of me in a five-minute segment, which is an experience in of itself. I was on Season 2 and did not have the luxury of analyzing the Sharks' personalities and style of doing 'business' over multitudes of shows. However, I was prepared to be me. I just didn't think I'd be as nervous as I was. I've got lots of energy, but I'm



The Johnson family successfully pitched Flipout trading coin bracelets invented by the Johnson siblings. Wild Creations. 843.448.8880. www.wildcreations.com
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The Cool Wazoo is a 5-in-1 pad for changing diapers and more, which appeared in November 2012 Season 4. The Cheerful Child. 800.510.5250. www.thecoolwazoo.com

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not as jerky as I think I appeared. There were many exciting things left on the cutting room floor, which no one has seen."

Of their experience, Rhonda Francis notes, "The *Dragon's Den* experience was fantastic, although a little nerve-racking as we presented in front of the Canadian Sharks. Through conquering our fears we've gained a lot of public exposure. And the Fairies (Rhonda, Terri and Lou)

had a lot of fun and even presented Mr. Wonderful, Kevin O'Leary, with honorary Fairy Wings."

But fun and entertainment aside, the programs are about business. To get the Sharks/Dragons to bite, "Know all the numbers!" advises Francis. "Not all businesses are perfect and that's okay. Being upfront with the Sharks/Dragons about challenges helps build credibility, which is likely to lead to an offer."

After the Cameras

Once the cameras are turned off, the hard work begins. Just because a deal is made on the air, doesn't necessarily mean that it is signed, sealed and delivered. A lot can change; there is a rigorous due diligence process, which not all pass. And Sharks/Dragons and entrepreneurs alike have the opportunity to "sleep on it."

Such were the cases with Eric Corti and his Air Cork (originally pitched as the Wine Balloon) and Megan Cummins of You Smell soap, both of whom appeared in different episodes in February 2012. Corti, after thinking things through, walked away



Air Cork, a wine preserving device, was originally named the Wine Balloon and appeared in February 2012 Season 3. Air Cork. 866.321.7861. www.aircork.com

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You Smell soap, a February 2012 Season 3 contender, is successful even though the deal fell through. You Smell.

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with no regrets from the \$400,000 deal he struck on the air with Lori Grenier and Mark Cuban.

Cummins struck a deal with Robert Herjavec, but was unable to reach him for months after the episode was taped, she reported in an interview with Rafe Needleman of CNET. Herjavec claimed not to realize that her company was only a startup and amended the deal, which was not acceptable to Cummins.

The Experience

Deal or no deal, many entrepreneurs who have appeared on the show admit the exposure that they received helped their businesses. "Dragon's Den was profoundly positive. It gave us credibility and has opened many doors that would have taken longer to knock on," states Rhonda Francis. And both Corti and Cummins discovered the on air exposure was enough to help propel them forward on their own. For those entrepreneurs thinking about applying, Jonathan Boos offers this advice: "Think about all the pluses and minuses of going on a show like *Shark Tank*. It's not for everyone for various business and/or personal reasons. Watch past episodes and get to know the Sharks' personalities on the show, how they react, and how they handle themselves. At the end of the day, I believe you must have a great product and/or brand, be fully vested in yourself and in your business to be successful on and/or off television."

Adds Zach Crain, "Do it! Keep your head held high and your tap dancing skills ready for the attack!" •



Freaker USA's knit koozies were not a hit with the Sharks in October 2012, but are making their mark at gift shows. Freaker USA. 910.399.3988.

www.freakerusa.com

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