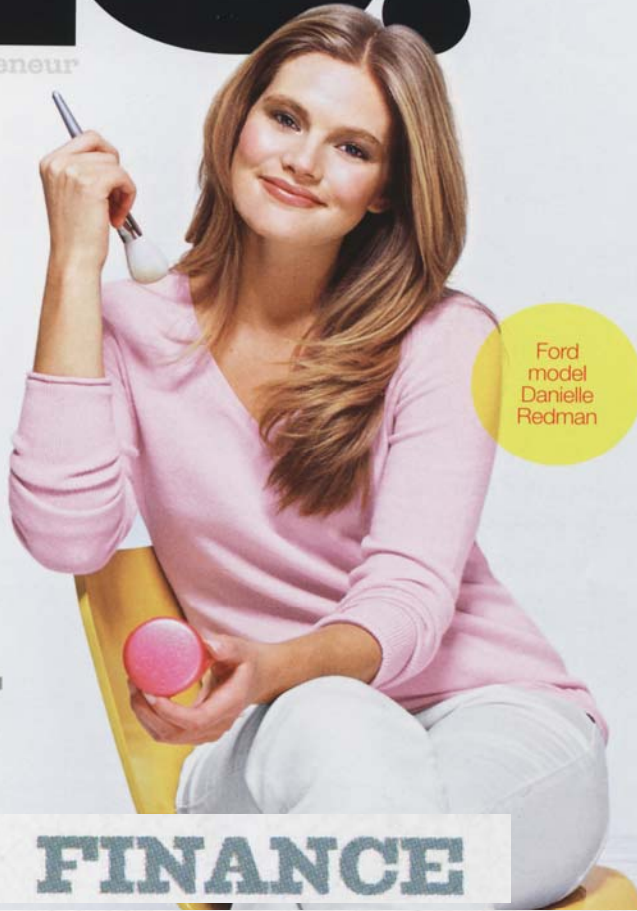


A COMPLETE GUIDE TO
MARKETING IN THE
DIGITAL AGE

Inc. (53 tips and tools to turbocharge your business)

The Handbook of the American Entrepreneur

How the
**FORD
MODEL
AGENCY**
became
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Ford
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Danielle
Redman

FINANCE

32 ELEVATOR PITCH

Steve Meginniss invented a two-gear wheel for wheelchairs. Is it a million-dollar idea?



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#852



Reed's Ginger Brew
**The Totally
Absurd
5-Year IPO**

**AllHipHop.com's
Wake-up Call**

Steve Meginniss helped reinvent the toothbrush. Can he do the same thing for wheels?

The Pitch: “Wheelchair users often get arm pain from pushing their chairs around all day. Our wheels turn wheelchairs into two-gear chairs, which helps reduce that pain. Outfitting a chair with our wheels costs about \$5,000, because we have to customize them depending on the type of chair being used. Insurers typically cover about 80 percent of the cost. Magic Wheels needs \$1 million to advertise more and to send more representatives to trade shows. We also need development money to add more wheel sizes and to find ways of cutting manufacturing costs.”
—As told to Dalia Fahmy



COMPANY:
Magic Wheels

FOUNDER:
Steve Meginniss,
co-inventor of the
Sonicare
toothbrush

EMPLOYEES:
9

**YEAR
FOUNDED:**
1996

LOCATION:
Seattle

CLIENTS:
Wheelchair users

**2007
REVENUE:**
\$124,000

**2008
PROJECTED
REVENUE:**
\$456,000

**INVESTMENT
NEEDED:**
\$1 million for
operations,
marketing, and
nationwide sales

RECENT BUZZ:
Received
BusinessWeek's
IDEA award in
July 2007

THE INVESTORS REACT

Cut costs

I like this product. If you're on a one-gear bike and you can't make it up the hill, you get off and walk. But someone in a wheelchair doesn't have that option. And Meginniss helped invent the Sonicare toothbrush, which means he has been successful bringing a new product to market. But he needs to cut the price, and I don't think he needs more money to do that. Maybe he can outsource manufacturing to Mexico or China. And I wonder if he really needs to customize the product as much as he thinks he does. How many options do you need, besides having a few different sizes?

ALLEN ANES, M.D.
Angel investor
Vegas Valley Angels
Las Vegas

Partner up

This is a wonderful product, but it's a difficult business. The price seems high, and the fact that Magic Wheels can't mass-produce the wheels is a negative. Revenue figures so far prove the difficulty of penetrating the market at such a high price. I'm not sure Magic Wheels can succeed as a standalone company. It might be better off getting sold to Stryker or another larger player in the assisting-devices business. Meginniss would have to give up some margins and take a commission instead. But that route to building sales is cheaper, quicker, and more predictable in the end.

WINSTON CHURCHILL
Managing general partner
SCP Partners
Wayne, Pennsylvania

Focus the sales effort

It's a clever idea, and it fits into the trend of consumer-driven health care. Consumers are increasingly willing to spend more out of pocket to get what they want. And an aging population will drive market growth. To ramp up sales, Meginniss should focus on marketing to therapists and hospitals, where most wheelchair users get their product recommendations. I think advertising is of limited value. He might also want to focus his sales effort on some key geographic regions and concentrate on building relationships with large volume dealers in those areas.

ELLEN KOSKINAS
Partner
InterWest Partners
Menlo Park, California