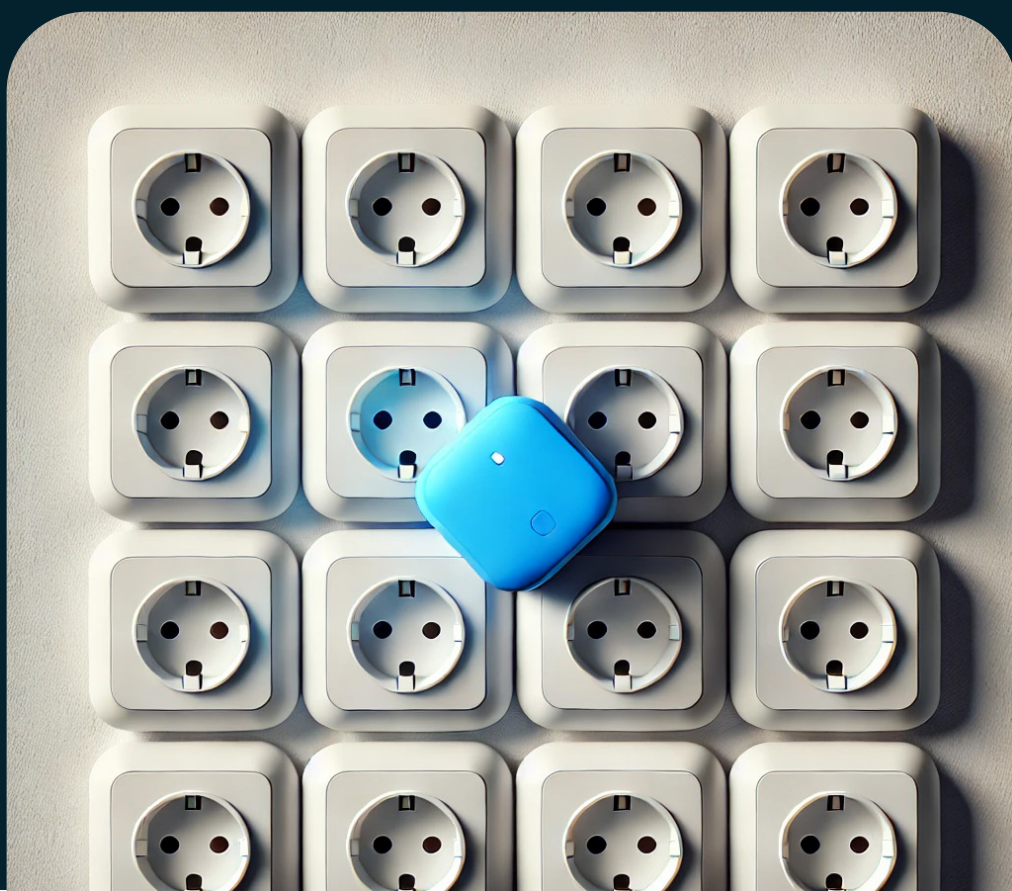


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# How to enhance your product portfolio and transition from white labelling.

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**If you want stand-out products that differentiate from your competition, then you need to develop your own.**

**You may even become a market leader.**



You may have considered developing your own products before, but maybe it's seemed way too difficult and it's put you off.

Developing your own products has the power to transform your business for the better, and in this article I'm going to tell you why you need to develop your own products and how to transition from white labelling to make products your customers will love.

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## What is a transition from White Labelling?

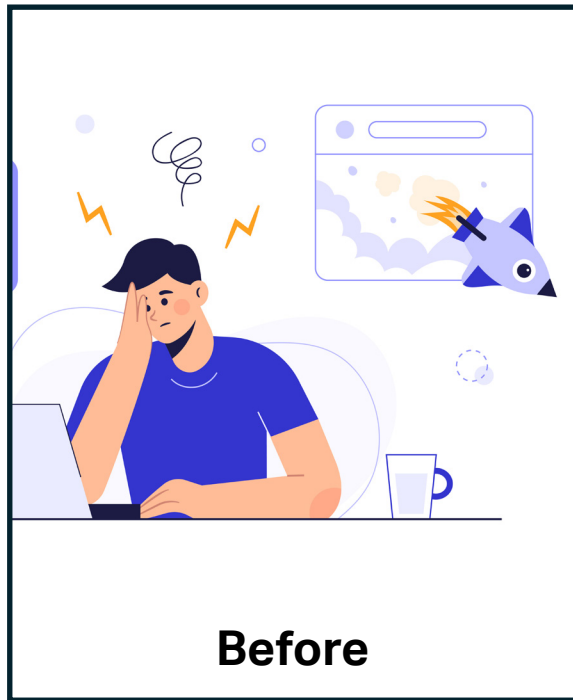
White labelling is when a company that produces a product or service that other companies rebrand and market as their own. Many brands follow this strategy to get to market faster and reduce investment risks. But there comes a time where your products lack differentiation and suffer from low profit margins making business very difficult.

Moving from white labelling to product development is a journey to reinvesting profits into Research and Development and creating your own products, owning the assets and Intellectual Property.

Imagine a brand that has just entered the market selling new smart plugs. Their products look like everyone else's but with slightly different colours and materials. The target consumer finds it very difficult to choose because they all look the same with the same features and they're all competing on price. This same brand then decides to develop their own smart plugs, but this time it has new features, USP's and is selling at a higher price.

Research, Design and Development allows brands to differentiate their products from the competition and draw new and existing customers in, increasing market share or better still, creating an entirely new market. The advantage is that you are able to sell your products at higher prices, promoting long-term business sustainability and growth with a product your customers will love.





**Before**



**After**

# Why do you need to develop your own products?

Developing your own products is super effective for a number of reasons:

## **Market Differentiation**

Custom products help distinguish your brand from competitors, providing unique features and aesthetics that can attract and retain customers.

## **Increased Profit Margins**

Proprietary products often need higher prices, allowing for better profit margins compared to reselling generic products.

## **Brand Loyalty**

Unique, high-quality products enhance brand identity and loyalty, developing a stronger connection with customers.

## **Control Over Quality and Features**

Ensures you have complete control over the quality, features, and performance, leading to better customer satisfaction.

## **Adaptability and Responsiveness**

Being the creator of your products allows for quicker adaptation to market trends and customer feedback, ensuring your offerings remain relevant and in demand.

## **Intellectual Property Rights**

Owning patents and trademarks for your innovations can provide a competitive edge and create additional revenue streams through licensing.

## **Long-Term Sustainability**

Innovation drives continual improvement and efficiency, promoting long-term business sustainability and growth.

## **Market Leadership**

Pioneering new technologies and designs positions your brand as an industry leader, attracting media attention and industry recognition.

## **Customer Insights**

Developing products from scratch gives deeper insights into customer needs and preferences, allowing for more targeted marketing and product development strategies.

## **Reduced Competition**

Unique products can reduce direct competition, as fewer companies can offer the same features or benefits that your products provide.

## **Enhanced Customer Experience**

Tailored products designed with customer feedback in mind can greatly enhance user satisfaction and experience, leading to positive reviews and word-of-mouth marketing.

## **Flexibility in Production**

Greater flexibility in production processes, enabling you to innovate and implement new manufacturing techniques that can reduce costs and improve efficiency.



# Who should transition from white labelling?

You might think that product development is only for businesses that already have Research, Design and Development capability.

But actually, any business can develop their own products.

Examples of businesses that can develop their own products are:

**Startups** - Whether you're developing complex electronics or simple products for your market segment, innovation is probably the most important for startups. Gaining traction through market share with a product your customers love is much more likely with custom products.

**SME's** - If you've had successful business in the past, but your sales and customer feedback is starting to fall, its time to innovate. Reinvest your profits and watch your business grow.

**Large Companies** - It will be harder to innovate due to process constraints, but you can get caught out quickly by startups who are able to innovate and move fast. It's wise to setup internal innovation hubs that are not connected to the rest of the business to create new ideas and products.



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"Don't buy off-the-shelf products and rebrand them, instead you should create your own through research, design and development.

Only then can you differentiate yourself from competition and sell products your customers will love."

- Jonathan Marchbank on Product Development.





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# How should you transition from White Labelling?



## 1. Write a brief and define strategic objectives

You want to make sure all your stakeholders have a clear understanding of what you're trying to achieve with concreteness and clarity before you embark on developing a product.

Set clear, achievable goals for the transition process. Establish short-term and long-term objectives for product development and ensure your solving the right problems or addressing the right opportunities. Determine key performance indicators (KPIs) to measure success. Align objectives with overall business strategy and vision.

## 2. Define who will develop the new products

You have 3 choices:

1. In-house development teams
2. External Development Agency
3. Hybrid Approach (Some in-house)

To reduce the risk of investment and speed up time to market on your first product, it can be a good idea to partner with a Research, Design & Development Agency who already has the expertise. It can take months to hire new people and build an innovation culture & process. However, it's a smart idea to hire an impartial Product Manager to manage the process.

### **3. Validate your market & opportunity**

Don't assume you should develop a new product for your existing customers (although this can be the right strategy). You'll be investing into some exciting new ideas so this shouldn't go to waste.

Gather insights and experience from your existing portfolio with customers and identify problems and opportunities which may not have been addressed, or have been solved poorly in the market. It's a good idea here to ask your customers to signal their interest in a new product in this category via a waiting list.

Find out the size of the market opportunities, segment the market, and define your strategic direction for innovation. Diversify or Continuous Improvement? This research might uncover exciting new ventures. Bonus - this information can be used to gain external investment!

### **4. Fact Find and Build a Vision Blueprint**

This is where the magic happens!

You don't need to jump straight into concept and development. Using your knowledge, experience, consumer feedback and market research, you can dream up an initial vision. And it doesn't have to be perfect!

Work with your development team to prototype your first best guess at what the product might look like, the features, USP's and key specifications. It might be a line drawing or a low fidelity computer generated image. And with today's technology in Ai, you could generate a life-like image in seconds!

You can see an example of a vision blueprint here: [Download the Template](#)

Setting the vision aligns the whole team and ensures everyone is on the right track. Develop the vision over time and don't seek perfection straight away. It's not finished until the product launches.

### **5. Concepting and Test on your Customers**

Depending on the type of product, developing a concept can vary in complexity. For example, medical or consumer electronics are subject to many regulatory requirements. But don't let this scare you off, you can leverage the expertise of your partners to ensure this is done correctly and efficiently.

Build working prototypes to test on your target end users and iterate the design until the core functional and visual elements are good enough. At this stage, there is no need to worry about the finer details, concentrate on the key functions and criteria that you think are important to your customer.

An important thing to remember here is to exercise focus and radical honesty. Focus on a few primary USP's and don't do too much. Check in with your team and ask: "Is the information we have clear, unambiguous and true?". Don't carry on with too many major assumptions or you risk your solution being wrong.

## **6. Protect Intellectual Property**

If you're developing a new product, it's likely you are creating Intellectual Property (IP) which you can protect. Work with an IP expert to identify novel ideas but also create them. They can not only file new patents for you, but many are experienced engineers who can spot strategic directions for new ideas, differentiating from the competition.

## **7. Product Development**

Once you have a concept which is validated with your end users, it's time to refine the design for Production. This can be the longest and most frustrating part of the process. This is because the magic of realising a new idea might have subsided, and you're now ensuring it passes all the requirements needed to sell it on market.

It's important you have at least one person holding the original vision and ensuring the design does not veer off onto a new path. Don't forget to keep testing it on your end users though! Development phases might uncover major technical issues which force fundamental changes which will need validating.

## **8. Find your Manufacturing Partner**

This will happen during the development phase where the design should mature alongside your chosen manufacturer. Don't leave this too late. You want your development teams to collaborate with production engineers to ensure the design is compatible with their processes and at the right cost.

Follow a thorough tender process with a procurement expert. You'll want to select the right company which matches your ambitions at the right volumes, costs and timelines but with the right quality process implemented.

## **9. Build a Waiting list**

Most people wait until their product is perfect before building up a qualified waiting list. When you're confident the product is going to work and can be produced, it's a good idea to start building up some excitement with your target customers.

Bring your customers onto the journey, and launch an online waiting list that they can sign up for regular updates with compelling incentives. Giving them early access can also help with refining your product.

## **10. Scale Production and Optimise Supply Chain**

At this point, the product should be ready for production and have all the required assets handed over to your manufacturing partner. Look out for potential faults during the first production runs and refine where possible. Optimise the supply chain logistics to ensure efficiency and cost-effectiveness.

## **11. Monitor and Evaluate Performance**

After you have launched your product, ensure you track its performance and analyse data. Conduct post-launch reviews with customers to identify areas for development. Continuously gather customer feedback and make necessary adjustments.

Keep an eye out for any potential manufacturing faults or quality issues and develop a strategy to correct them.

## **12. Develop your teams mindset for innovation**

Creating completely new products is not only a significant change in operations, but also requires a shift in mindset. When you're designing new products, things don't always go smoothly, they take a lot longer, and you're dealing with a wider range of disciplines and people.

You must adopt an open-minded approach, have patience and exercise critical thinking. Be ready for prototypes not working, users providing negative feedback, and having the courage to pivot where necessary. Have fun and work together as a team!

## **13. Visualise a compelling Product Roadmap**

Launching your first completely new product made by you does not stop there. This is where the fun starts. Continuously assess the market, user and technology areas of your categories and imagine a long term product road map. This will change a lot over time. You can even make non-functional prototypes of these ideas to bring them to life.

Map out the next 5 - 10 years of products and categories you think you might release. This helps to define a long term plan for the future and secure necessary resources to deliver them.



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## It doesn't stop there! ...Reassess your approach

Now that you have successfully launched a product to market, plan ahead and question what the long term strategy should be for your organisation.

Should you bring Development in-house or should you continue to partner with an external agency?



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## What if you want to develop your own products, but just don't know where to start?

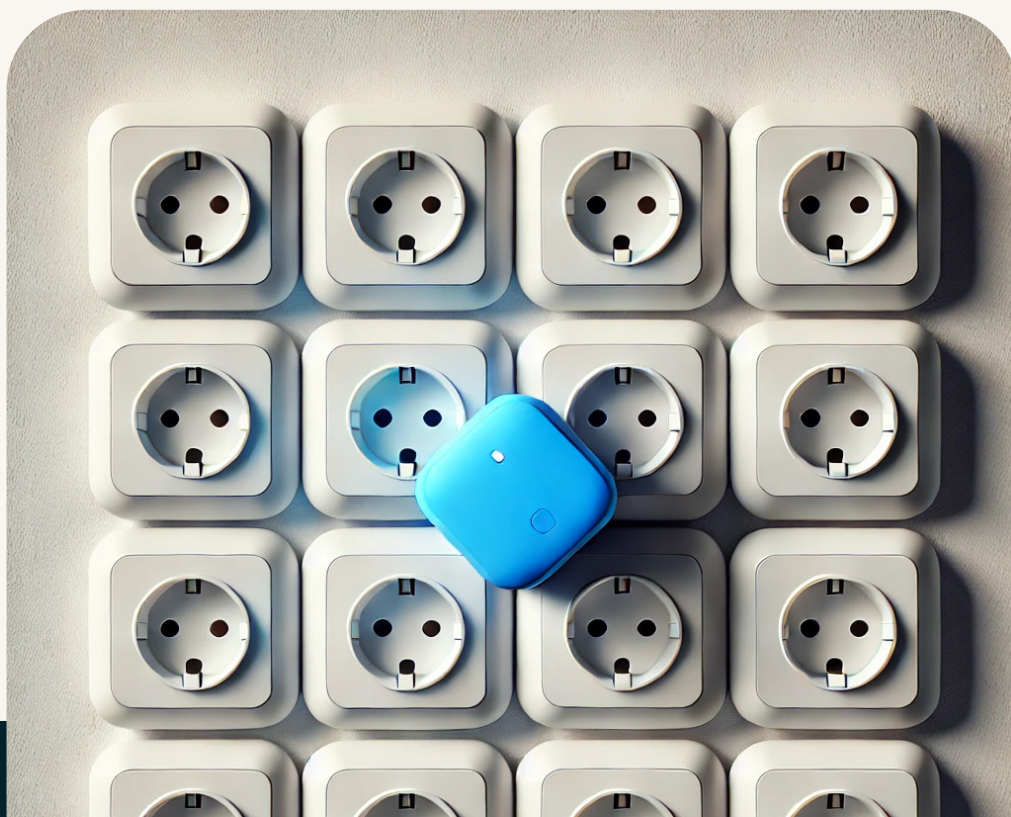
In short, the best way to start is to not overwhelm yourself with the potential journey and set yourself the goal of fact finding with an expert.

This is free and doesn't take much time. Co-create a brief with a product development expert and use this to discuss with your colleagues.

You'll be able to very quickly find out some of the key questions, like:

- How much might it cost?
- Is this right for our organisation today?
- What is the potential return on investment?
- Is there a problem or opportunity that is worth addressing?

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# Bonus Trick: A low risk “Hybrid Approach” to transitioning from white labelling

For brands currently relying on whitelabeling to sell physical products, Transitioning to designing and manufacturing your own can feel daunting. The good news? You don't have to leap into full-scale product development overnight.

By adopting this “Hybrid Approach”, you can derisk the transition and ease into product ownership. This method combines incremental product changes with strategic manufacturing moves to set you up for success.

## Step 1: Make small product changes first

The first step is to identify high-impact, low-effort modifications to the products you currently whitelabel. These small changes will allow you to differentiate your offerings and begin laying the groundwork for your brand's unique identity.

**Identify high-impact, low-effort changes:** Look for simple adjustments that improve your product's quality, functionality, or aesthetics. This might include upgraded materials, more durable components, or a fresh new design element.

**Prototype and test:** Before committing to changes, create prototypes and gather feedback from customers to ensure the updates resonate with your audience.

**Work with your supplier:** Many suppliers are open to modifying existing products for their clients. Share your prototypes and request adjustments to tailor the product to your brand's vision.

The goal? These small, manageable tweaks can improve visual appeal and product quality while making your offerings stand out in the marketplace.

## Step 2: Transition to owning the product assets yourself

Once you've gained confidence making minor changes, it's time to start owning the design and manufacturing process. This step requires a more hands-on approach but is essential for building a sustainable and scalable product line.

**Tear down your current product:** Break your existing product down to understand its components and construction. Identify areas for improvement.

**Pinpoint high-impact changes:** Focus on upgrades that improve performance, functionality, or customer experience.

**Develop original designs:** Use your insights to create modified designs that set your product apart while leveraging existing strengths.

**Source a contract manufacturer:** Identify a reliable partner who can produce your updated product. Contract manufacturers can help you balance quality and cost while producing at scale.

**Reverse engineer with samples:** Send your existing product and design specifications to the manufacturer to help them create prototypes based on your modifications.

**Create a manufacturing pack:** Document every detail—specifications, materials, assembly instructions, and quality control measures. This ensures consistency and scalability in production.

**Scale production:** With your design finalised and processes in place, you're ready to produce at scale and fully own your product pipeline.

### **Key Consideration: Protecting your intellectual property**

During this phase, it's critical to consult with an Intellectual Property (IP) lawyer. This ensures your modifications and new designs don't infringe on existing patents or copyrights. Securing the legal foundation for your product provides peace of mind and protects your investment in innovation.

## **The Payoff**

By following the Hybrid Approach, you're not just transitioning to owning your products, you're gaining the skills and knowledge needed to expand your product pipeline confidently. Each step builds on the last, ensuring a smoother, lower-risk journey to full product ownership.

This process gives your brand a competitive edge, improves margins, and opens the door to more innovative and differentiated products in the future. So why wait? Take the first small step today and begin transforming your brand into a powerhouse of original design and manufacturing.



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