

Soylent... It's Not What You Think

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If you spend any amount of time on the internet, you might have heard of the term “life hack.” For those who aren’t familiar, a life hack is anything that reduces the hassle of everyday tasks; a shortcut that cuts time spent and innovates on an old and cumbersome process. A basic example might be tucking a paper clip under the end of a tape roll, ensuring you’ll never again have to experience that maddening search with your fingernails to find it.

One of my favorite shows on television is “Shark Tank” — where entrepreneurs present their big ideas to a panel of cutthroat investors, vying for the infusion of cash and expertise that a capital partner can bring. Many of the products on Shark Tank tend to be some variation on a life hack. The stories of product development usually involve a light bulb moment and the classic infomercial line: “There’s got to be a better way!”

I recently read about a product that “hacks” a part of life that I happen to rather enjoy – eating. Soylent is a liquid food replacement made of a slurry of vitamins, minerals, protein and carbohydrates that its inventors are calling the future of food.

“I’m not trying to make something delicious; there are already a lot of delicious things,” said Soylent’s creator, Rob Rhinehart. “It’s all about efficiency; it’s about cost and convenience.”

I’ll be honest, the thought of drinking this concoction – which has been described as bland and slightly sweet with a strong yeast aftertaste – makes me want to toss my cookies. And yet, I do admire the ingenuity.

Earlier this month, the Treasury announced regulations that will allow companies to take the Research and Development Alternative Simplified Credit (ASC) on amended returns. According to Forbes, this seemingly arcane change will mean

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many more dollars in the wallets of innovative small and medium businesses – money that will be used to create new jobs, expand businesses and keep doors open. The key element to the change is that credits can be obtained for multiple years and provide businesses a far better chance to recoup R&D dollars.

But there's a big impediment to businesses going full force into R&D – many businesses don't believe they actually qualify for this credit. The fact is, the credit rewards companies anytime they are developing or improving their products and processes that are technological in nature. It doesn't require starting from scratch.

In a blog for IMPOMag.com this spring, Michael Devereux II, CPA – director of Manufacturing & Distribution Services for Mueller Prost PC – explained why companies often miss this opportunity:

“Frequently we find that companies think that they need to be doing things that are revolutionary to their industry. In other words, they believe that they might have to expand, exceed or refine the knowledge in their industry, but that's a narrower definition of what the Internal Revenue Service code defines.” He adds, “The R&D doesn't need to be revolutionary, it can be evolutionary. Say I'm trying to improve functionality, reliability or performance of my products or processes — then that's qualified research. Most people don't see that as R&D, so it's missed many times.”

In short, you don't need to invent fake liquid vitamin food in order to take advantage of this opportunity. Simply addressing design needs of existing products may do the trick, and it will probably leave a better taste in your mouth.

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