

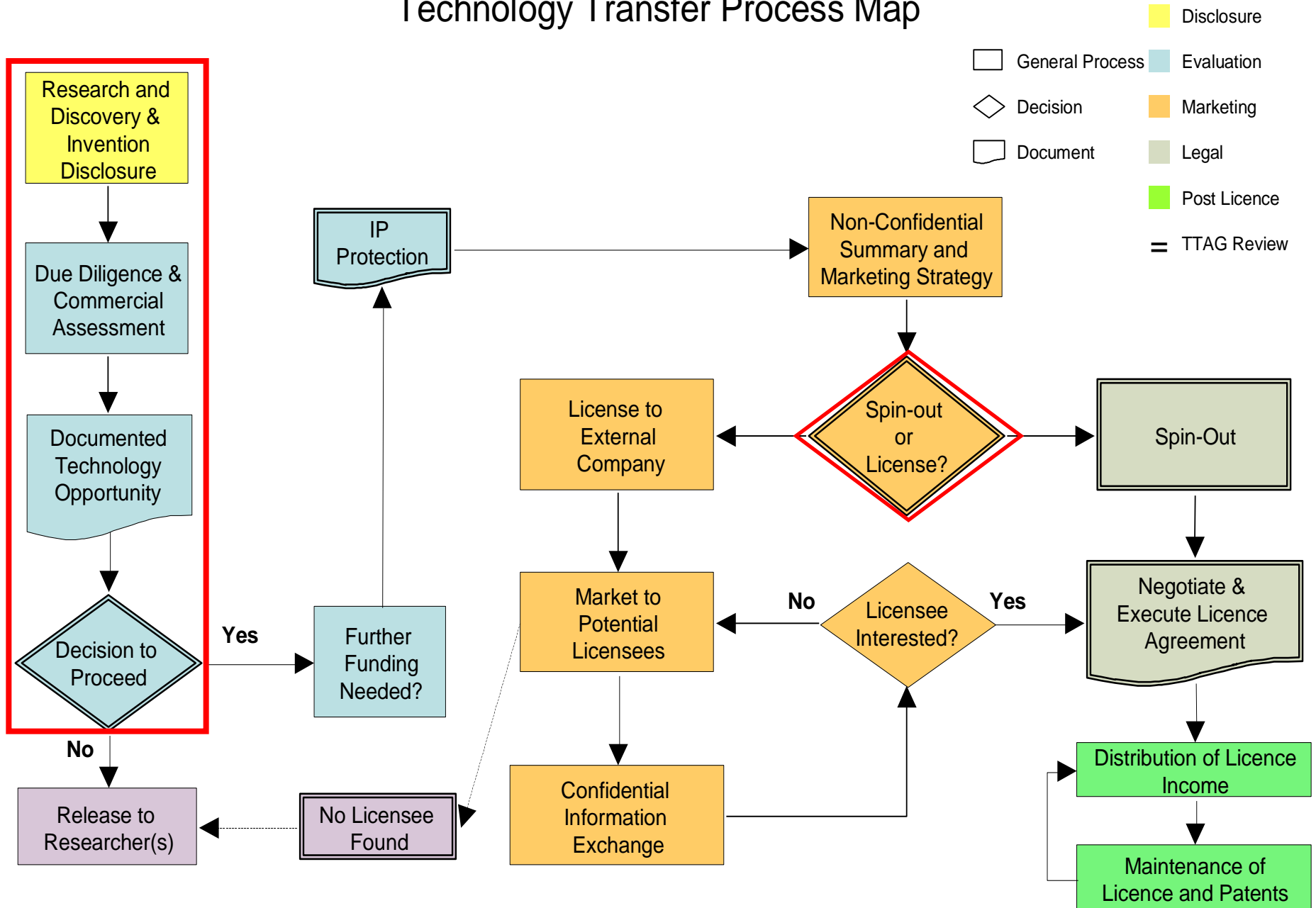
Market Evaluation

Elena Andonova 26th January 2011

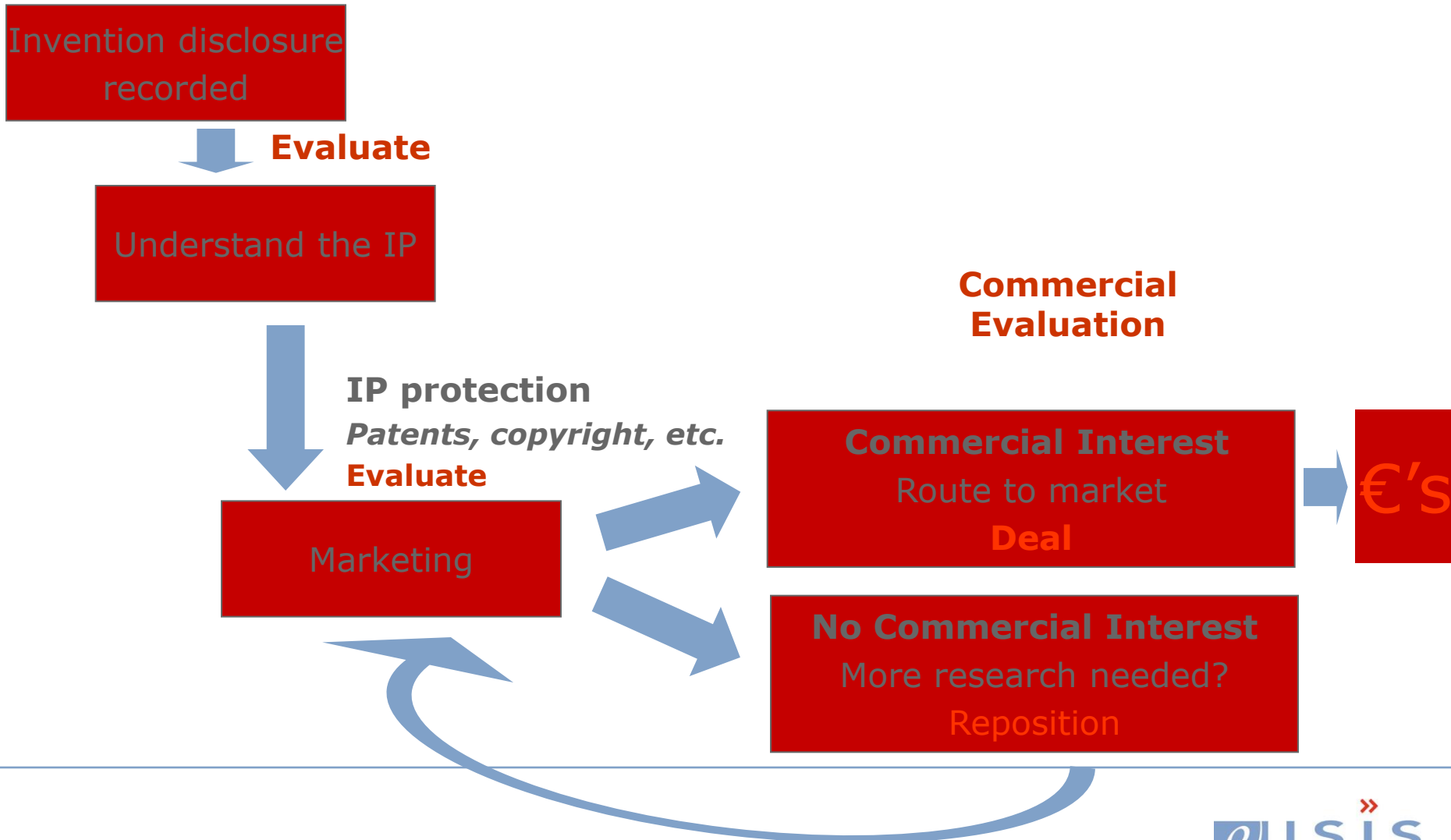
Contents

- Why evaluate the market?
- Where market evaluation 'fits'
- Commercial evaluation
- Tools & Systems
- Conclusions

Technology Transfer Process Map



Steps to Commercialisation



Why evaluate the market

- Cost (in time & money) of IP protection
- Does the idea have commercial value?
 - Stage of invention
 - Market size and need
 - Freedom to operate
 - Competitive landscape
- Can you really sell it?
- How much you can sell it for?

Your decision: technology transfer models

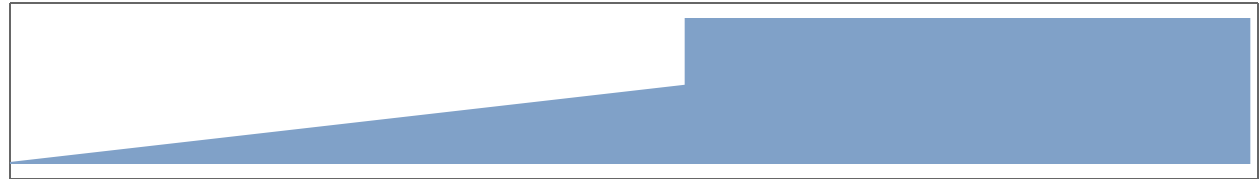
- Inventory based
 - Patent those discoveries that look promising, market and license later
 - Institution may build a substantial inventory of unlicensed patents
 - Institution may incur substantial un-reimbursed expenses
- Deal based (Recommended)
 - Market first, only patent if deal is found
 - Rate of production of IP = expected rate of transfer/ licensing
 - Inventory kept low, minimising un-reimbursed patent costs

Stages of Evaluation

- Invention disclosed ✓
- IP Ownership – due diligence complete ✓
- Stage of development understood ✓
- IP Protected ✓
- **Commercial potential**

Is there a market?

MARKETING RELATED



Informal Discussions

Market Research

Confidential Discussions

Marketing Plan

Confidentiality Agreements

Confidential Meetings



TIME

What is the product?

Informal discussions (with whom?):

- Fellow researchers?
 - TT officers?
 - An Advisory Board?
 - Husband/wife?
 - Patent agent?
 - Industrial collaborator/friend?
-
- When in doubt...
 - Don't forget the Confidential Disclosure Agreement (CDA) or Non Disclosure Agreement (NDA)

The market

- Existing market, or not?
- Target market vs. real market?
- Market development likely?
- Is it one market?



Market Research

- Who does it
 - Usually project managers in the TTO
 - Market analysis specialists
- What skills are needed?
 - Understanding of the market analysis process
 - Understanding of the invention
 - Bilingual (inventor and commerce)
- What knowledge do you need as Researcher
 - Familiarity with the market sectors
 - An understanding of potential Routes to Market

Initial market analysis

- What is the product?
 - Commercial applications?
 - Perceived advantages and benefits?
- What is the market?
 - Current, projected?
 - How big? How mature?
 - Market trends and drivers?
 - What is the competition?

PESTLE

- PESTLE Analysis: external drivers of the market environment
 - Political
 - Economic
 - Social
 - Technological
 - Legal
 - Environmental

SWOT

The SWOT analysis – the internal position

- Strengths
- Weaknesses
- Opportunities
- Threats

Obtaining Market Information

- Up-to-date and reliable information relating to possible markets for technology and services is:
 - Specialised
 - Can be very expensive to access
- Information may be found at:
 - Paid for and free internet search sites
 - Publications
 - Direct questioning of potential licensees, collaborators and industrial contacts
- Google

Obtaining Market Information

- Frost and Sullivan
www.frost.com/prod/servlet/frost-home.pag
 - Chemicals, Materials & Food
 - Energy & Power Systems
 - Environmental & Building Technologies
 - Healthcare
 - Industrial Automation & Electronics
 - Information & Communication Technologies
- Databeans - www.databeans.net/
 - semiconductor and electronics industry
- NERAC – www.nerac.com
 - Greater IP/ innovation focus – also patent searching

Obtaining Market Information

- Unexpected Free Sources
- University Libraries (particularly if they have a Business School)
- National Library of Serbia?
 - <http://www.nb.rs/>
 - Access to the European Library
- Advertisements for Publications
- Outlines of full studies
- Executive summaries or press releases
- Wikipedia!

Analysing the competition

- Competitors
 - Alternative technology
 - Main competing products
 - Commercial and academic competition
 - Established industry
- Competitive advantage
 - Your invention USP (Unique Selling Point)
- What are your products weaknesses and limitations?
- Competitions strategic position
- Comparative strengths and weakness

Porters 5 Forces – Competitive intensity



Potential market

- At this stage the TTO will be in a position to assess whether the invention has enough public or market value to warrant further investment by the University.
- The project manager will present the case to the Technology Transfer Assessment Group (TTAG) for review.
- A commercial decision will be made as to whether the University will maintain its interest or waive its rights to the invention.

Conclusions

- Evaluation is a continuum
- Know your market and your invention
- Market analysis is only as good as the work you put in and the questions you ask
- Make use of your Technology Transfer Advisory Group (and your colleagues)
- Don't forget your TT Officer and TT Model
 - Inventory or Deal based

Any Questions?