

INTANGIBLE ASSETS & FINANCE

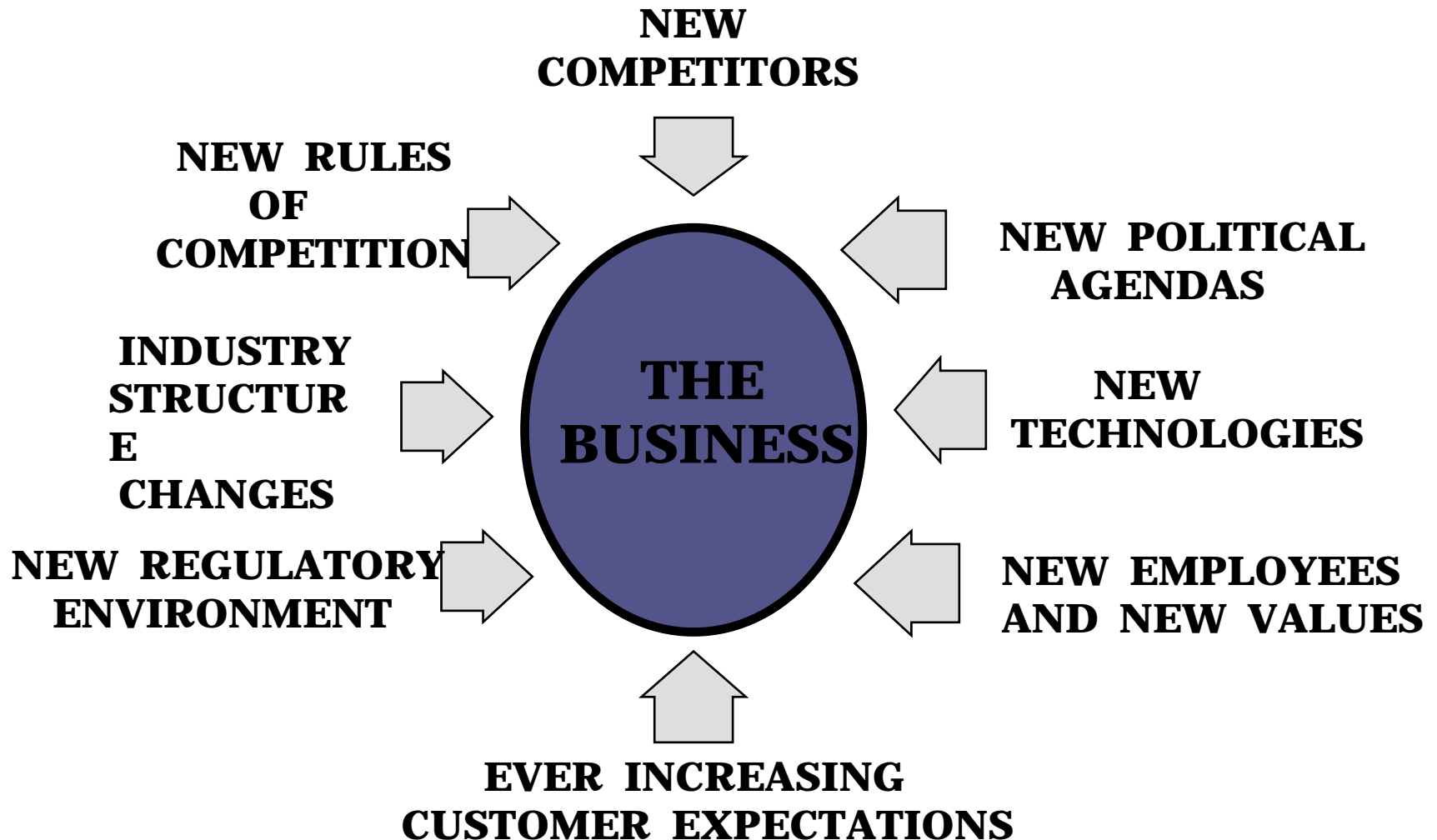
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(slides : courtesy WIPO)

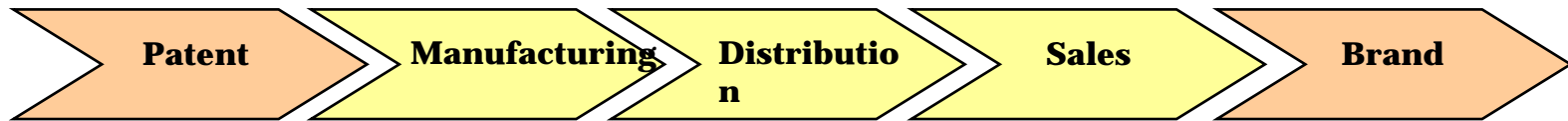
Strategic Entrepreneurship and Innovation

- **Entrepreneurship is concerned with:**
 - **The discovery of profitable opportunities**
 - **The exploitation of profitable opportunities**
- **Firms that encourage entrepreneurship are:**
 - **Risk takers**
 - **Committed to innovation**
 - **Proactive in creating opportunities rather than waiting to respond to opportunities created by others**

SIMULTANEOUS REVOLUTIONS



Understanding the business/role of IP



- Understand the value chain of the business and industry
- Understand how profits are generated
 - primary product
 - spare parts and related products
 - service and maintenance
- What are the important features of the IP? How does it add value to the business?
- What are the important features of the industry other than IP?
 - other important intangible and tangible assets in the value chain
 - competitive structure of the industry
 - customer characteristics and purchasing criteria
 - substitute products or services

Entrepreneurship 1

Entrepreneurship drives innovation, competitiveness, job creation and economic growth.

It allows **new/innovative ideas** to turn into successful ventures in high-tech sectors and/or can unlock the **personal potential of disadvantaged people** to create jobs for themselves and find a better place in society.

Entrepreneurship 2

Entrepreneurship, in small business or large, focuses on "**what may be**" or "**what can be**".

One is practicing entrepreneurship by looking for what is needed, what is missing, what is changing, and what consumers will buy during the coming years.

Entrepreneurship 3

Entrepreneurs have:

- A **passion** for what they do
- The **creativity** and **ability** to innovate
- A sense of **independence** and **self-reliance**
- (Usually) a high level of **self confidence**
- A **willingness** and **capability** (though not necessarily capacity or preference) for **taking risks**

Entrepreneurship 4

Entrepreneurs do not (usually) have:

- **A tolerance for organizational bureaucracies**
- **A penchant for following rules**
- **A structured approach to developing and implementing ideas**
- **The foresight to plan a course of action once the idea is implemented and established**

Entrepreneurial Success

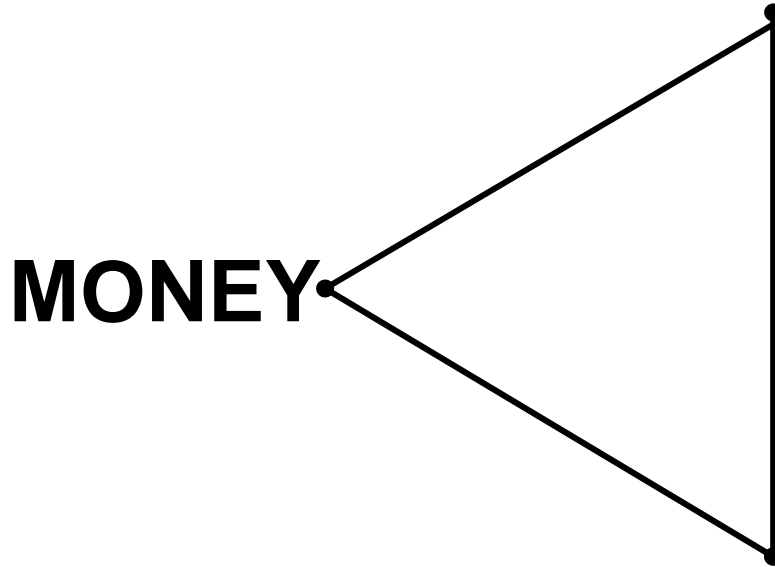
- 1. People (Entrepreneur /Entrepreneurial Team)**
- 2. Opportunity (Marriage of Market and Product/Service)**
- 3. Access to Resources (Land. Labor, Capital, Knowledge**
And the fit amongst these three elements (Business Model)

3 M's of ENTREPRENEURSHIP

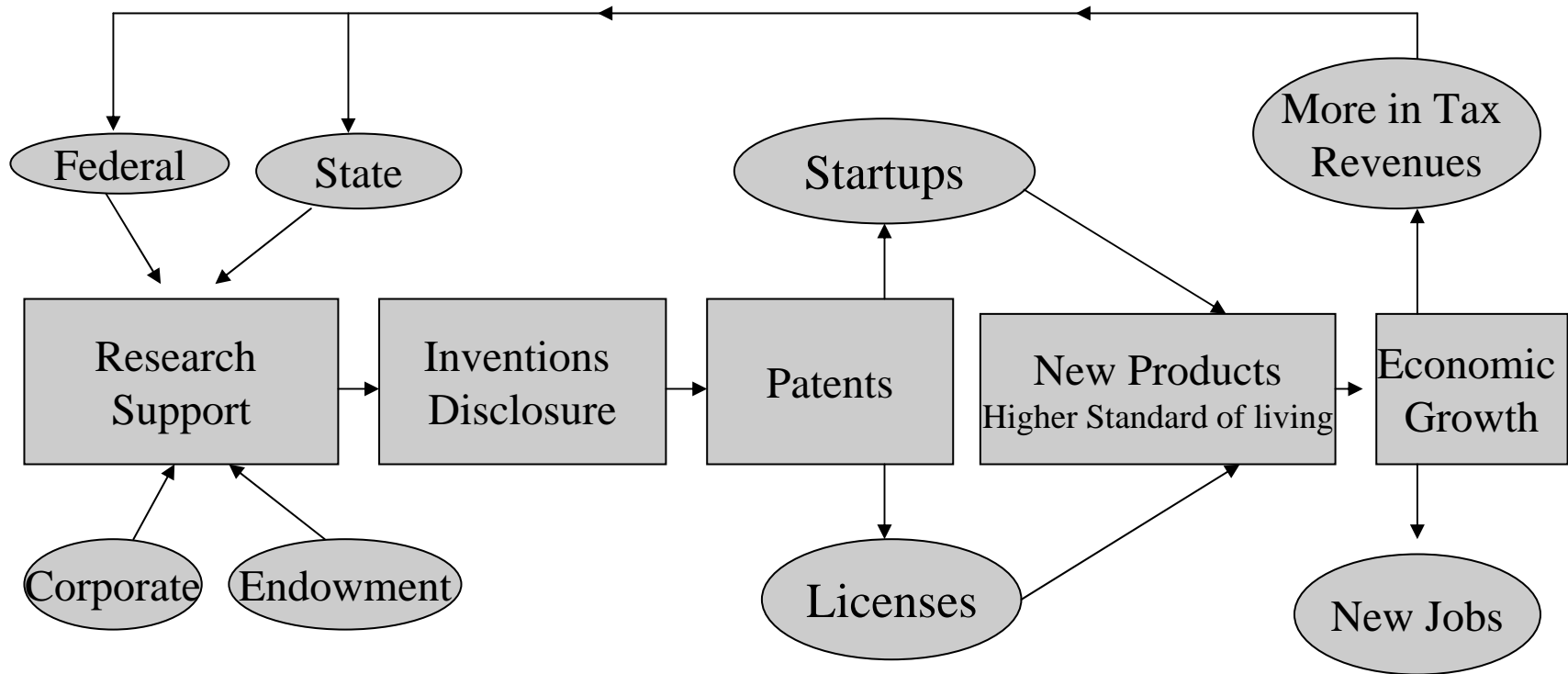
MANAGEMENT

MONEY

MARKETING



Stages of Technology Transfer: From Research Support to Economic Growth

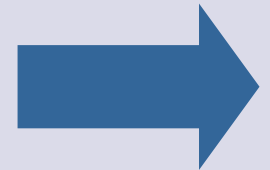


IS A COMPANY READY?

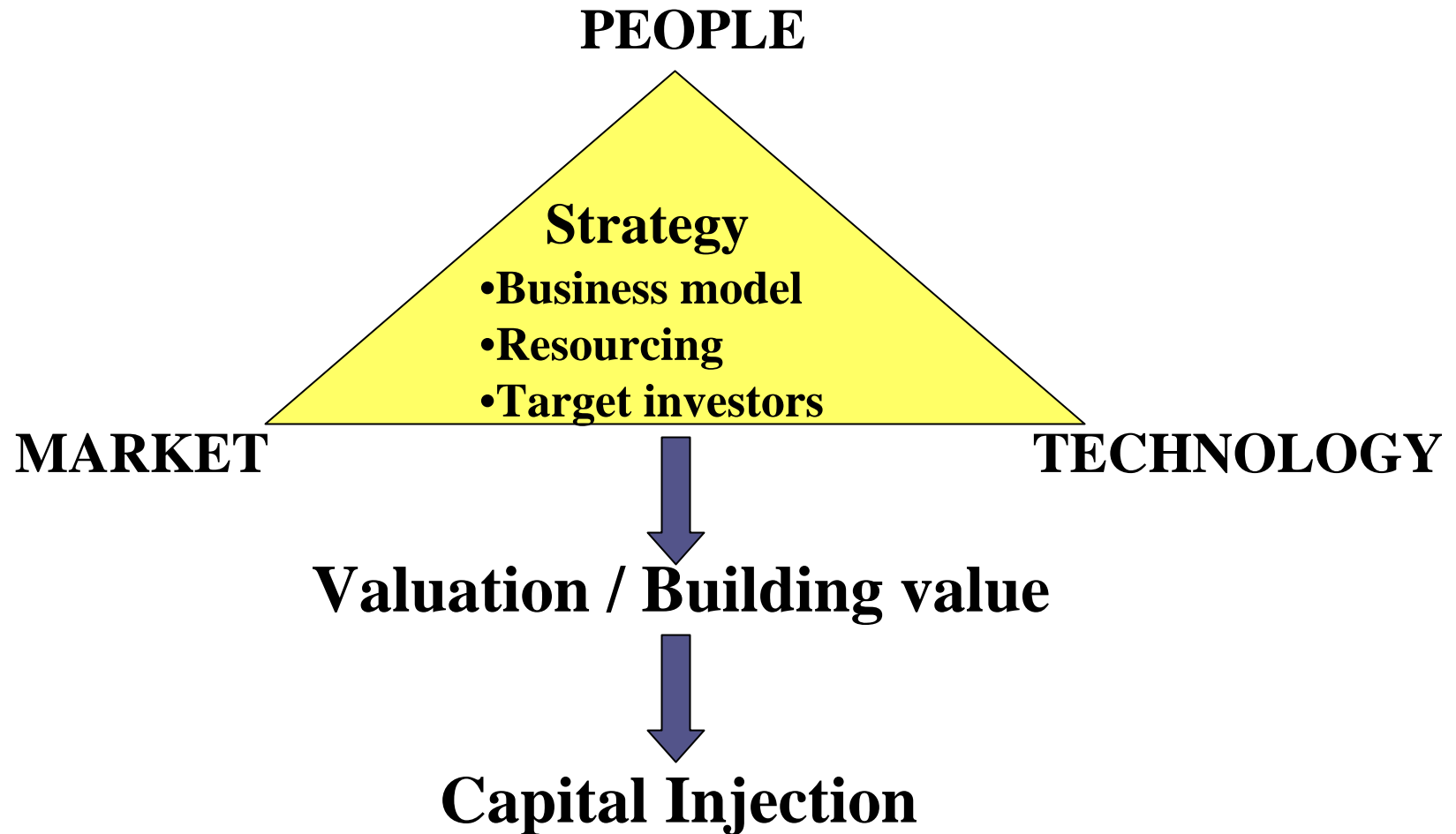
- **Business plan?**
- **Stage of development of the company**
- **Type of investment?**
- **Valuation?**
- **Management team ready?**



- **Has the management team enough time and energy to raise funds?**
- **Is the team shaped to talk to investors?**
- **Does the company know where to go?**



Positioning for a Capital Injection



Add value before raising capital

- Documentation and Presentation
- Government grants
- **Intellectual Property Protection**
- R&D Partners
- In principle agreements
 - Licences
 - Customers

- Financial Projections
- **Business and IP valuation**
 - Critical negotiating tools
 - Justifies assumptions
 - Forces in depth research
 - Forces decision making
 - Makes you strong and confident

SOURCES OF START-UP CAPITAL (USA)

OTHERS	(3,9%)
GOVERNMENT LOANS	(1,1%)
MORTGAGED PROPERTY	(4,0%)
VENTURE CAPITALISTS	(6,3%)
FRIENDS	(9,0%)
EMPLOYEES / PARTNERS	(12,45)
FAMILY MEMBERS	(12,9%)
BANK LOANS	(14,4%)
PERSONAL SAVINGS	(78,5%)

START-UP CAPITAL

- 25% start with less than \$5,000
- 50% start with less than \$25,000
- 75% start with less than \$75,000
- Less than 5 % with \$ 1,000,000 or more

The Paradox of Access to Finance

- Banks
- Venture Capitalists
- Stock Exchange



have money

But argue that there aren't enough good projects

What is a good project?

A Good Project!

A good project is a project presenting in the eyes of an investor:

- **acceptable risk profile**
- **a good perspective of return**

this means:

- **access to market = innovation**
- **profits**

Entry Strategies

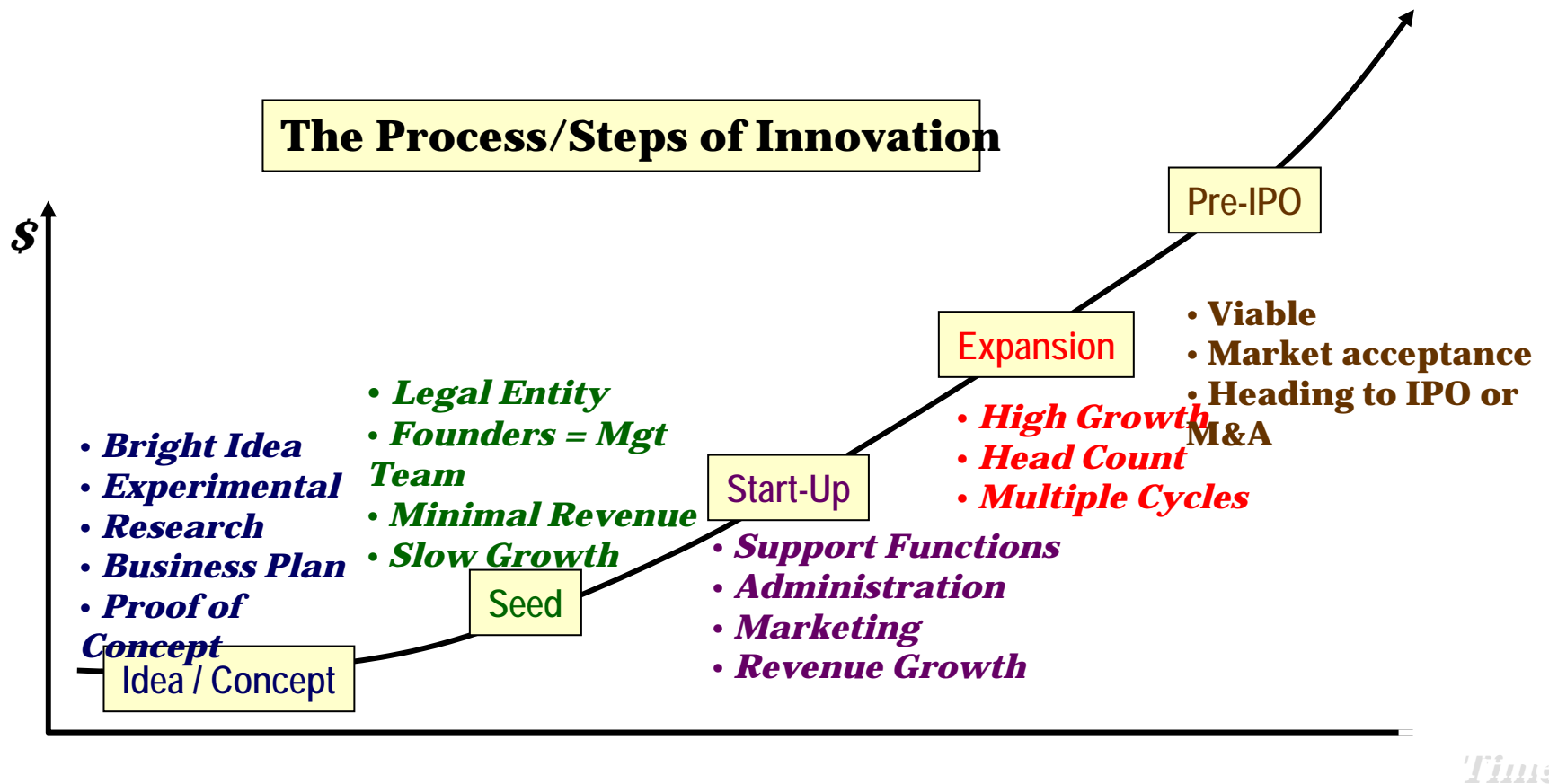
- **New Business**

- Develop a new product or service
- Develop a similar product or service
- Competitive approaches

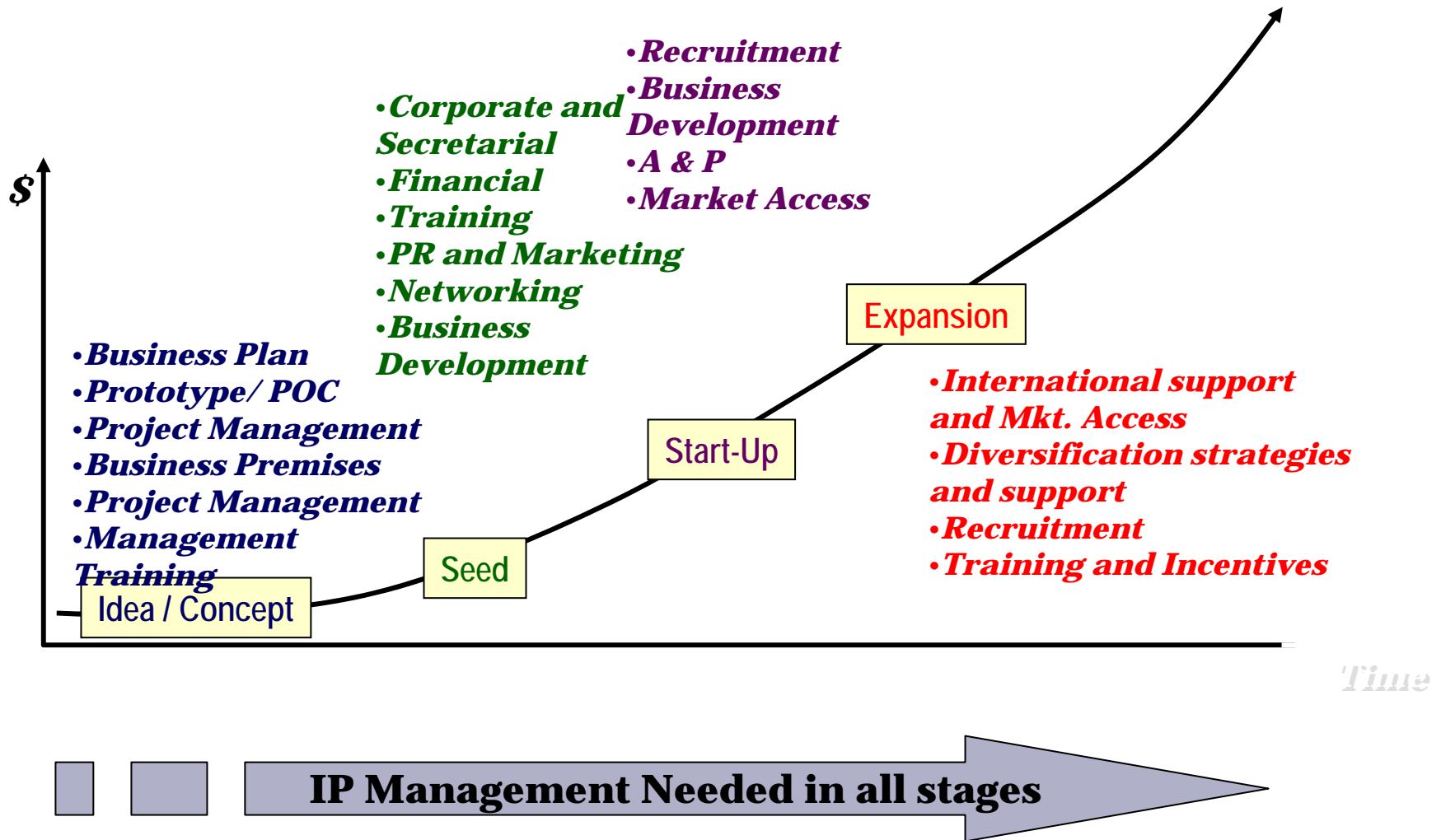
- **Existing Business**

- Buying a business
- Franchise
- Joint venture – customer or supplier

Understanding the Process of Innovation

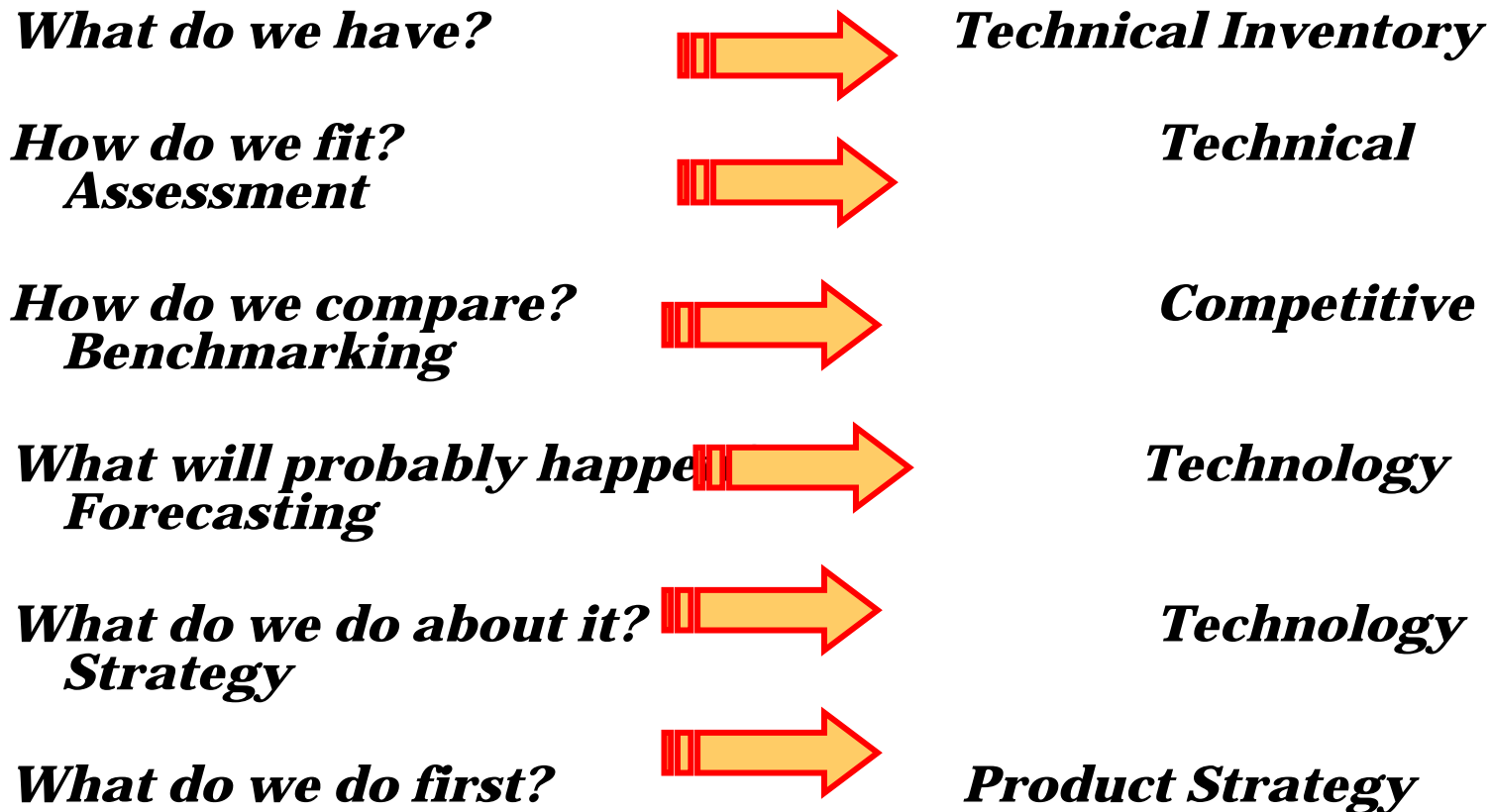


The Needs of Each Stage

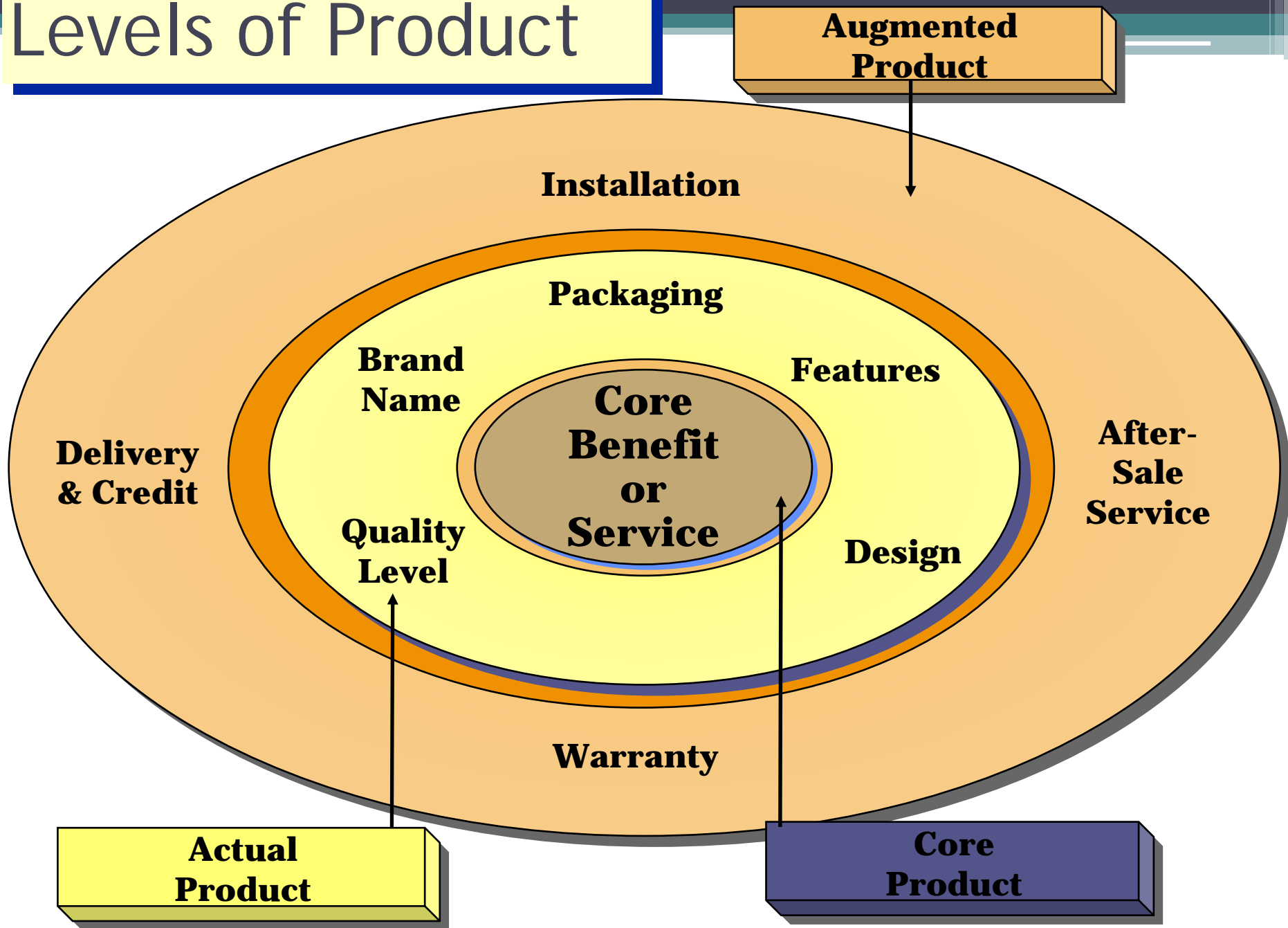


What does technical strategy integration do?

Naïve questions can lead to profound knowledge:

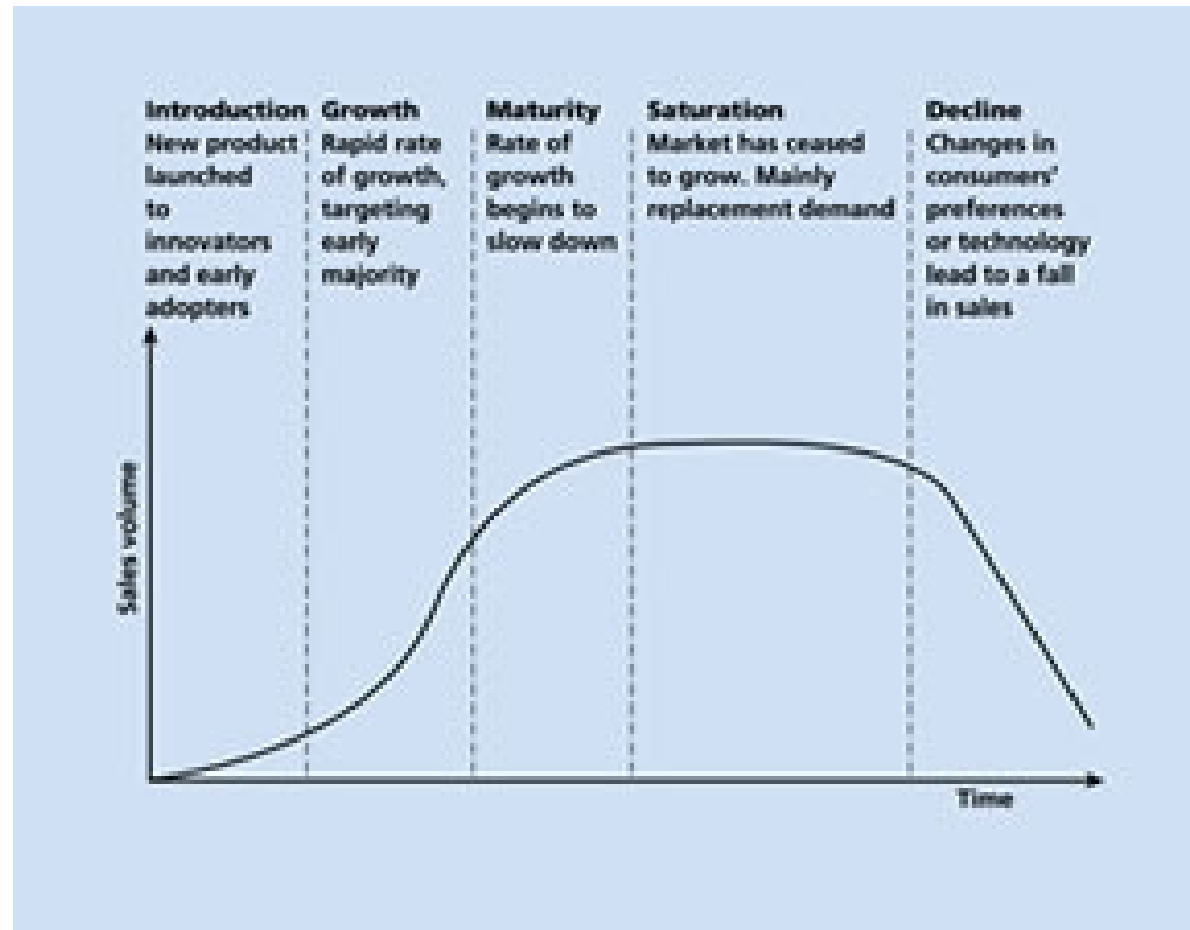


Levels of Product



THE PRODUCT LIFE CYCLE

- **A reminder that most products do not live for ever**
- **A conceptual framework only**
- **Difficult to measure where a product is in its life cycle**



THANK YOU

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