

Regional Workshop on the use of Utility **Models and Industrial Designs for Small and Medium- sized Enterprises** (SMEs) in ARIPO Members States

From the Idea to the Income: Strategic Use of the IP System by SMEs for **Business Growth and Development.** 

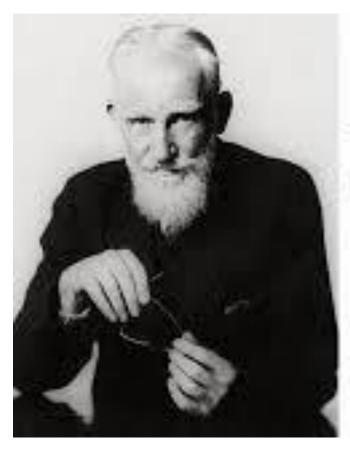
Harare, Zimbabwe, June 24 to 26, 2015

#### **OUTLINE**





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You see things; and you say, 'Why?'
But I dream things that never were;
and I say, 'Why not?'

- George Bernard Shaw

THE RESERVE AND RES



- **Creativity** is a phenomenon whereby something new and somehow valuable is formed.
- "the ability to transcend traditional ideas, rules, patterns, relationships, or the like, and to create meaningful new ideas, forms, methods, interpretations, etc.; originality, progressiveness, or imagination: the need for creativity in modern industry; creativity in the performing arts."
- "Creativity is the process of bringing something new into being. Creativity requires passion and commitment. It brings to our awareness what was previously hidden and points to new life. The experience is one of heightened consciousness: ecstasy." – Rollo May,.]

Creativity is just connecting things. When you ask creative people how they did something, they feel a little guilty because they didn't really do it, they just saw something. It seemed obvious to them after a while - Steve Jobs

#### **Inventions**

From Latin *inventiō*, *inventiōn-*, *inventiveness*, from *inventus*, past participle of *invenīre*, *to find*.

- Action of creating something new that did not exist before
- New solutions to existing problems
- Result of human creativity and curiosity
- Successful inventions demand driven





Few inventionsbreak-through -pioneeringinventions

- new industries
- new business
- new markets

- Most inventions incremental development of technology
  - improved quality
  - better performance
  - higher productivity
  - more customer satisfaction
  - reduced cost



#### INNOVATION?

From the latin INNOVARE: "renew ou change"

in—+ novus—"new".

Target an answer to need expressed or not. Generally link to an economical development locally or internationally.



- Process bringing an invention to market and users
- Requires team work and cooperation
  - inventors and researchers
  - process, product and design engineers
  - lawyers and marketing specialists
  - financial and production managers
  - sales, advertising and distribution specialists
  - entrepreneurs





 Innovation processes usually involve: identifying customer needs, macro and mezo trends, developing competences, and finding financial support.



#### **Levels of Innovation**

- Breakthrough. Radical change. Ex: CD versus Vinyl
- Incremental: improvement of a product and a service. Ex: mobile phone.

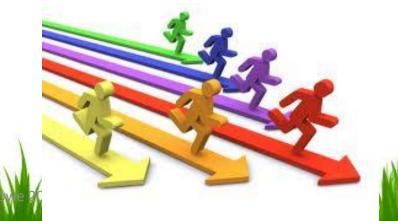


#### "Dimensions" of innovation

- Product Innovation t. Ex: Iphone
- Service Innovation. Ex: E-Banking
- Process Innovation. 3D scanners
- Innovation in marketing. Ex: Applications for IPhone
- Business models Innovation. Ex: Dell
- Social Innovation. Management models

#### Innovation ... COMPETITION

- Innovation is a source of competitive advantages.
- Without innovation process there is a stagnation in a sector/ industry core competencies.



- Example of Innovation...
- Shoes with GPS integrated by Isaac Daniel.
- The story:
  - His 8 years old son disappear while waiting for the school bus...
  - Mr. Daniel stop his meeting and flight back from Atlanta to New York...
  - The son went just back to school as he didn't want to ...

TODAY a major innovation in the market with a second generation which integrated the Bluetooth 'Blue GPS' and is applied in several sectors: health sector, army ...





### **Example innovation new variety - Japan**





Idea

Imagine something- Find a solution

**Inventiveness** 

Concretize a new idea

**Innovation** 

 Bring a industrial application to an invention and commercialize it.



- Factors and Conditions for an Innovative, Supportive and Enabling Environment
  - Education
  - Information and transfer of knowledge
  - Government policies, including tax policy, supportive legal and regulatory framework
  - Industrial, technological and R&D infrastructure
  - Efficient intellectual property system
  - Recognition & rewards
  - Company climate and culture
  - Work force and labor environment
  - Entrepreneurial spirit
  - Availability of funds and financial resources

#### **CREATIVITY ISSUES.**

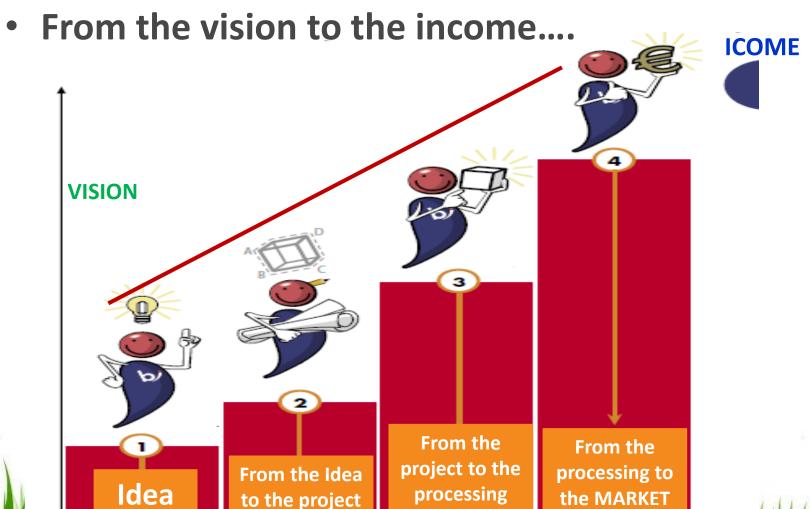
We must use creativity to Create the Future we want. We Must Be Prepared to...

- Challenge industry conventions
- Challenge our own assumptions about the nature of the business we are in
- Learn from others
- Create alternative pictures of the future
- Create new customer needs rather than merely satisfying existing ones



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Innovation Strategies



### Innovation strategies Start with an action plan...

Is the prototype working well and can we move to a mass production?

Is there an appropriate idea to our Enterprise development?

Is there a market for the product and can we manufacture it?

STEP 3

**COMMERCIALISATION** 

2

**PROCESSING** 

STEP 1



**STEP** 

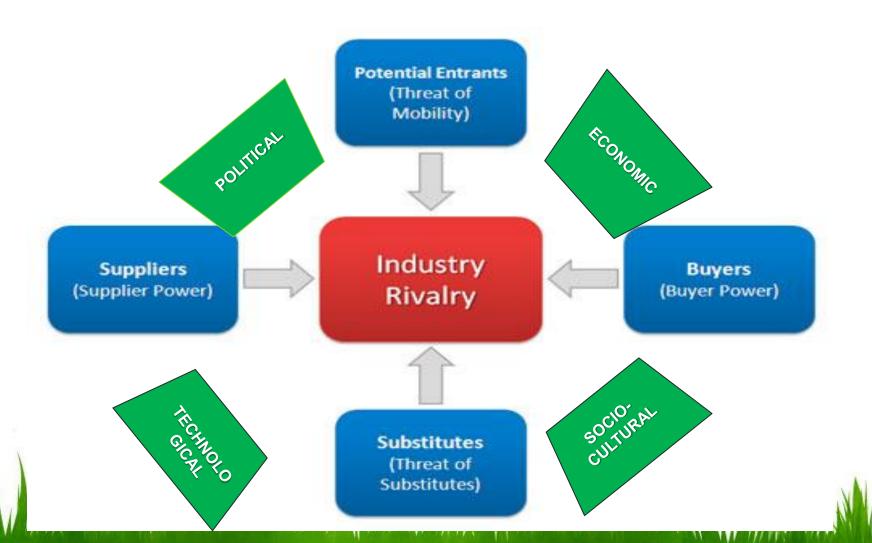


**IDEA** 

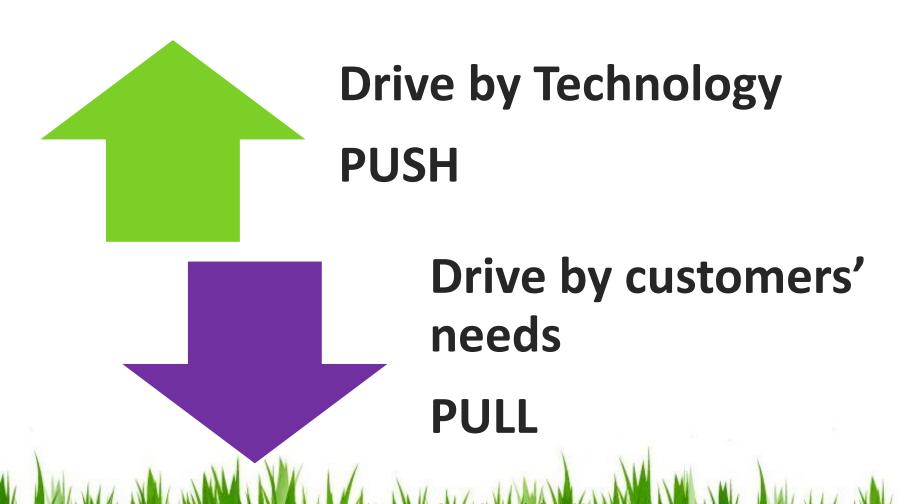


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- IP and Innovation strategy
- Do you understand your business environment?



#### **IP and Innovation strategy**



- What strategies and tactics will you use?
- What partnerships will you have?
- Who will be your employees?
- What will be your marketing and innovation strategies?



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- Two major forms of competitiveness:
  - PRICE:
  - Ability to make economy of scale:
    - Cost reduction (Labor cost); Margin;
       Exchange rate issues
  - Not related to PRICE/COST: Value creation
  - Technical abilities (innovations, quality improvement...)
  - Appearance (Design, packaging)
  - Emotions (Brand)



#### **IP and Competitive Strategies**



Internal Technology, licenses; (Patents); Quality; Design (ID); Trademark, Certification mark, Collective mark, Geographical indication - Mark- reputation Internal Technology and licences;
(Patents); Strategic partnerships,
Economies of scale
Technological progress, Experience (All IPRs

- New and vital challenge for SMEs: How to protect and best exploit the intangible assets of their enterprise as they are at the heart of the value addition process?
- Answer: Strategic use of the IP system.
- Why? The IP system offers a legal framework to business activities:
  - Reward creativity
  - Stimulate innovation
  - contribute to economic development
  - Protect against unfair competition



#### **IP and Innovation strategies**



#### Access to technical innovation:

- Don't reinvent the wheel.
- Exploit patents in the public domain.
- Exploit patents non protected in some defined territories.

#### Protection of ideas:

- Trade secrets.
- Patents
- Utility models

#### IP and Business development and financing:

- Use of patents database to identify business partners.
- Set up various partnerships with companies: IPRs are foundation of strategic partnerships, in research, marketing, open innovation, outsourcing...
- Raise financing: protected IPRs can be assessed and subject to valuation for raising capital.



- IP and products commercialization: Trademark!!
- Every day a new product enters the market.



New challenge for SMEs:
How to MEET the customers' NEEDS AND make them RECOGNIZE and MEMORIZE the products?

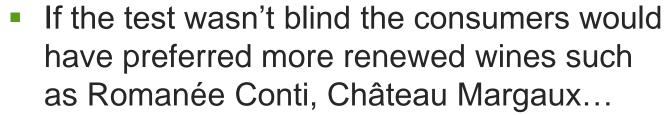
#### IP and products Commercialization :

- Rise commercial value;
- Create a strong Brand Identity by differentiating the products from those of the competitors by strategically using IPRs;
- Strategic use of distinctive signs for marketing and sales purposes;
- Registration of domain name.

IP and product commercialization - Marketing Strategy: BRANDING



- IP and Commercialization of a product: Trademark versus Brand.
  - In a blind test during the international wine competition, the winner was South African white wine: KLEINE ZALSE



- The BRAND has the power to influence the taste of the consumers.
- It's the EMOTIONAL POWER of a name...





- IP and product commercialization.
- TRADEMARK versus BRANDING?

# TRADEMARK Legal concept Intellectual Property Right (IPR).

#### **BRAND**

Marketing concept The Brand is more than a logo, a name or a motto — it's an entire experience that the consumers and clients share with a product, an enterprise.

### IP and Product commercialization: Importance of Design in the marketing strategy.



- INDUSTRIAL DESIGN targets the Appearance of a product or its part.
- Represented by lines, contours, colours, shape, texture and materials of a product or its ornamentation, or their combination.
- Design of clothes, fashion accessories, textiles.
- Electronic "icons" created by the computer code
- Graphic User Interfaces (GUIs) seen on computers' monitors
- It attracts potential customers easier.

#### Why is Industrial design relevant to your business?

- Because a memorable and appealing design:
  - Adds a value to a company's products.
  - Increases the commercialization and the economic success of a product.
  - Attract potential customers easier.
  - Is an influential marketing tool.
  - Is a tool to win customers' loyalty.
- Two basic strategies of driving value through design:
  - Functional differentiation
  - Emotional value creation

- Strategy of driving value from design
  - Utilitarian design focuses on practical benefits a product may provide.
    - Mainly attempts to achieve functional differentiation.
    - Strategies:
      - Multi-functionality e.g. all-in-one products.
      - Modular product architecture
  - Kinesthetic design emphases how a user physically interacts with the product.
    - Strategies:
      - Ergonomics
      - Human Factors: furniture, electronic devices, ser intuitive design.



computer

- Visual design is driven by form and the desire to communicate value to consumer without necessarily interacting with the product.
  - Strategies:
    - Product personality: cars, clothes, apparels ...

#### Enjoy the benefits of intangible assets:



- Find business partners with patent, trademarks and design database.
- Establish licensing contracts

Increase revenue stream with licensing in/out, franchising.





• IP is present at every step of the enterprise's strategy from the idea to the market and the income.



Find an innovative idea



Protect the idea



Develop and finance the project



Commercialize the products



Manage the intangible assets

**INTELLECTUAL PROPERTY** 



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Identification of IPRs.

#### Audit of intangible assets.

- Objective: Inventory and assessment of intangible assets.
  - Identification of exploitation opportunities of intangible assets underutilized.
  - Identification of areas where money is wasted.
  - Usefull to correct areas where the legal and financial responsibilities of the company can be affected due to the use of intangible assets by others.
  - Constitute a valuable IPRs portfolio.

#### PROTECTION: Acquisition of IPRs.

- Registration: What? Where? How? How many? Don't forget IPRs are territory rights.
- Protection measures for non-protectable assets : trade secrets.
- IPRs as a legal basis for business partnerships in marketing, outsourcing, joint research project ...



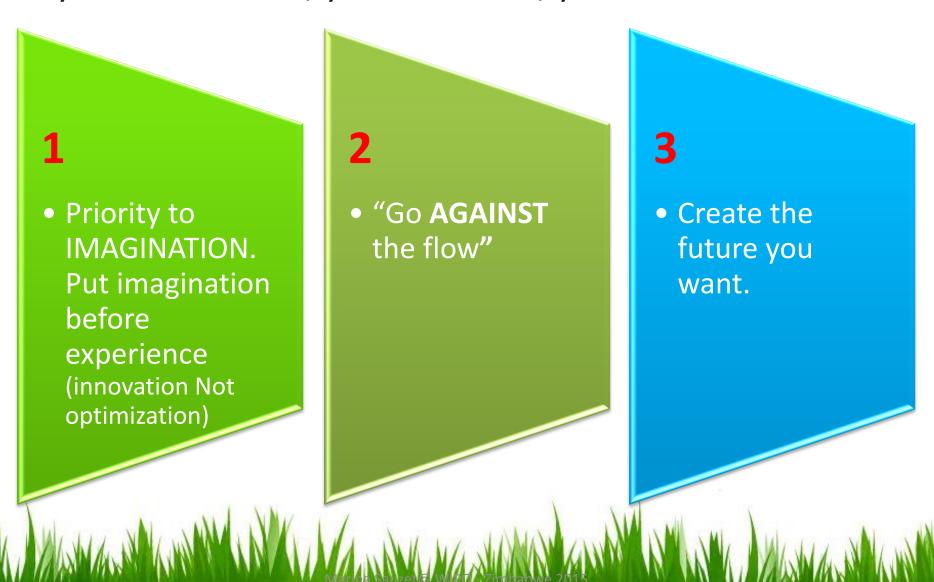
- MANAGEMENT: IP management strategy
  - IP audit for the management of the IPRs portfolio.
  - Maintain or transfer IPRs?
  - Enforce IPRs against unfair competition and infringements.
  - Monitor the respect of IPRs in the business environment.
  - Prevent the copy and the use of IPRs by others.

- EXPLOIT: Strategy of exploitation of IPRs:
  - Integrate IP in the business strategy.
  - Use IP in the innovation, commercialization and financing strategy...
  - Use IP in Export strategy and market development strategy.
  - Use IP in licensing and franchising strategies.



#### **TAKE AWAY**

If you don't THINK, you don't ACT, you will not GET



#### **ELONA COSMETICS by the SAUZET - www.elona.ch**



The "whole product" approach to snail and use the processing of what used to be called "snails' secretion" into high value-added cosmetic products.

Design of a full range of cosmetic products based on snails secretions based on research information.

Now presence in Switzerland in more than 100 pharmacies and more than 60 beauty spas and siness strategies for Lernational markets...

0-Harare 2014



### Creativity the next generation

#### **WORLD IP DAY**



Directeur Genera de l'OMPI, Francis Gurry

"Creativity is common to the whole of humanity. Whoever we are, wherever we live, whatever our circumstances, we all have the capacity to create. And it is this human creativity and inventiveness that is responsible for improving our quality of life in every sphere: our medical care, our transport, our communication, our entertainment. The aim of intellectual property is to promote conditions that help this creativity and innovative capacity flourish across the world."

## THANK YOU FOR YOUR ATTENTION



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