

## **EXECUTIVE SUMMARY**

### **INTELLECTUAL PROPERTY AUDIT, DUE DILIGENCE AND VALUATION**

#### **SMEs Webinar Series: Session 2**

Micro, small and medium enterprises play a crucial role in the economic development of many countries in Africa contributing to over 80% of the GDP in most economies. In this global economy where there are many similar products chasing few and informed buyers, one of the biggest dilemma SMEs face is how to attract, retain and build customer loyalty. SMEs have therefore to continuously innovate to remain competitive. Whereas innovation takes place at enterprise level, little recognition is given to the same by SMEs. In addition SMEs rarely consider innovations as intellectual property assets. Many SMEs are yet to realize that entrepreneurship and intellectual property are two sides of the same coin driving enterprise growth. As such SMEs are yet to fully reap the benefits of these innovations.

The objective of Intellectual Property Audit, Due Diligence and Valuation presentation is to equip the participants (SMEs) with basic knowledge and skills that can be used to address IP Issues at enterprise level. The presentation has been tailor made to address some of the challenges that SMEs have especially in fully deriving value from their IP Assets. The topic is presented in very simple language taking cognizance of the fact that some SMEs may be interacting with intellectual property for the first time. Experience of the presenter as an IP practitioner has become handy in providing real SMEs situations as examples to enrich the discussion.

The discussion is presented in four topics kicking off with the objectives and introduction to intellectual property audit. This topic puts the discussion into perspective and highlights what IP audit is and why it is important for SMEs business. The second topic gives details on undertaking IP Audit by providing a step by step process to follow. This topic provides (i) ways of identifying the actual and potential IP assets; (ii) evaluating status of the actual and potential IP assets by addressing issues on IP ownership, IP protection, commercialization and enforcement; (iii) examining the contracts or agreements between SME and suppliers, distributors, or employees as to whether they take the interest of the SMEs at heart; (iv) providing basic methods to evaluate the Net Worth of IP Assets both Actual and Potential through IP Valuation. Topic three discusses importance of undertaking IP Due Diligence and provides some of IP Risk areas that SMEs may need to avoid. The presentation concludes by giving a summary of the importance of IP Audit, Due Diligence and IP Valuation.

It is envisaged that the discussion will not only be educative but also help the SMEs to integrate IP issues into the daily operations of the enterprise and make informed future decision.

A list of useful resources may be found at:

<https://www.wipo.int/publications/en/details.jsp?id=295&plang=EN>

<https://www.wipo.int/publications/en/details.jsp?id=271&plang=EN>

<https://www.wipo.int/publications/en/details.jsp?id=294&plang=EN>

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