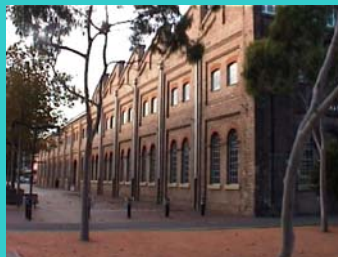


# Engaging Research 2008

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ANU November 2008



[www.atp-innovations.com.au](http://www.atp-innovations.com.au)

# ATP Innovations

- Australia's leading technology business incubator
- 50+ companies in IT, Engineering and Life Sciences
- Owned by four of Australia's leading universities
- Working with public and private sector entrepreneurs to commercialise R&D



The  
University  
of Sydney

UNSW



THE  
AUSTRALIAN  
NATIONAL  
UNIVERSITY

# ATP Innovations

- Providing business guidance, an entrepreneurial environment, and serviced office and laboratory space
- Performance of our companies in 2007:
  - \$53 million revenue
  - \$43 million capital raised
  - 300 full time staff
  - 67 patents filed

# Technology Commercialisation

- The concept of Innovation -



# Workshops

- IP
- Market
- Business Model
- Finance
- People

# Workshops

- IP – what is it?
- Market – who wants it?
- Business Model – how are they going to buy it?
- Finance – what is it going to cost and who pays?
- People – who do you need and who can help?

# IP and the Market

- A problem...
- What problem are you going to solve with your innovative product or service?
- Who else has the same pain?
- How much is it worth to them to have the pain taken away?

# Intellectual Property

- So why intellectual property?
- It can help you protect the market opportunity you have spent your time and effort developing
- Sustainable competitive advantage
- Helps you understand what others are doing

# Intellectual Property

- Disclosure – have you kept the idea from the public?
- Timing of IP protection – is the data there to back up the invention disclosure?
- What can you get done once the clock starts ticking?

# Intellectual Property

- Prior Art – who else is working in this space and what have they disclosed publicly?
- Freedom to Operate – how crowded is the patent landscape? Will you need cross licenses?
- Always look for the potential for collaboration

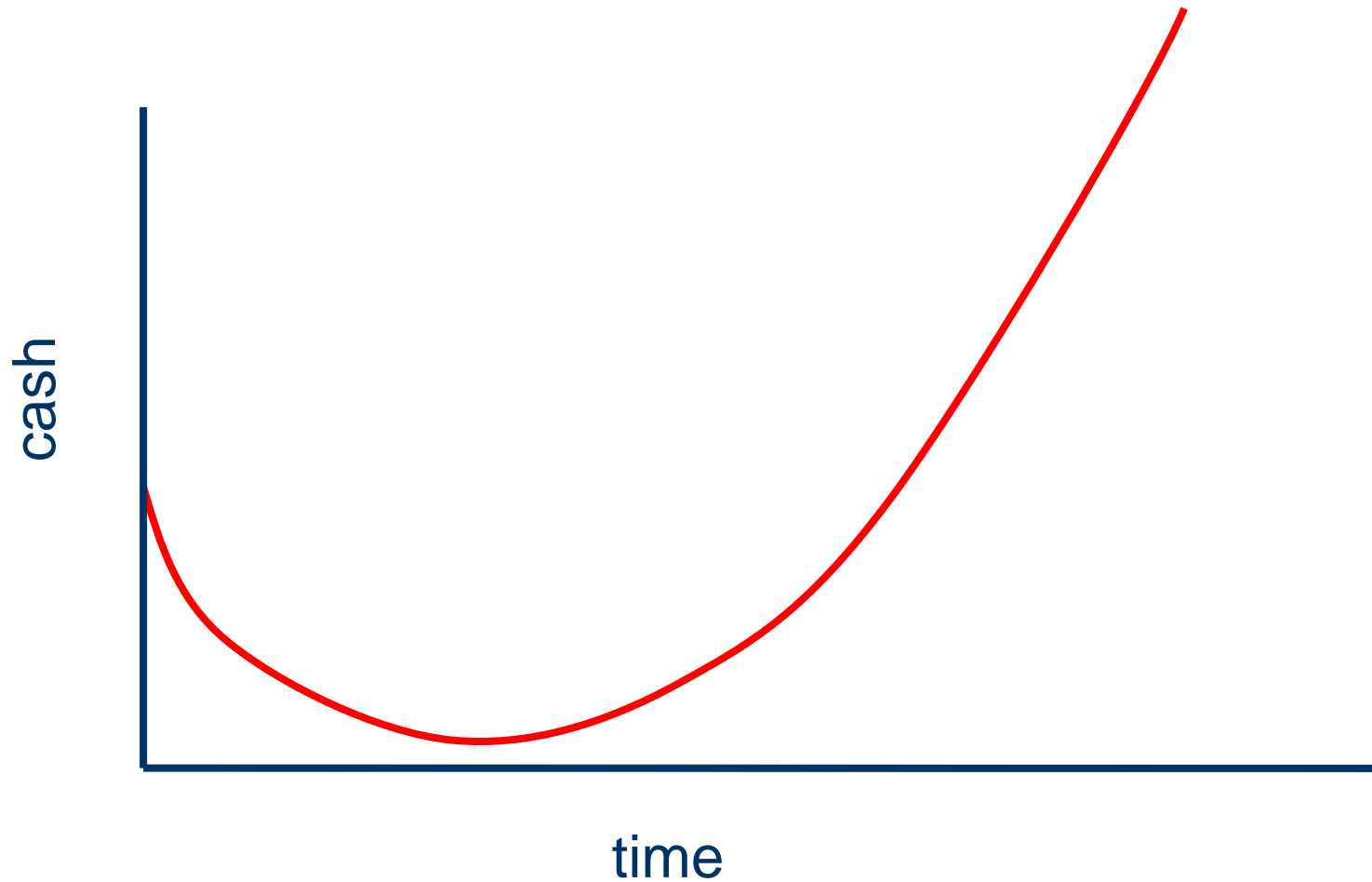
# Market

- Market validation – the first step
- What problem do you solve with your innovative product or service?
- Who else has the same pain?
- How much is it worth to your customer to have the pain taken away?

# Market Validation

- My product solves the problem of....
- There are 5 million people with this problem
- They will pay me \$1,000 to make the pain go away
- Therefore, all I need is 10% of the market...

# Market Validation



## Market Validation

- My sales staff can make 100 call a week
- They can convert 10 into sales leads
- The sales cycle is 4 weeks
- My distributors will start selling into the US in 2009
- My revenue will be \$X in 2010, increasing at 20% per annum

**Bottom up vs top down**

## Market Validation

- Now you have some idea of the market...
- Is it large enough to support the cost/risk/development of your ideas?

**The characteristics of the market can be more important than the size – competition, adoption of new technologies etc.**

## Competition?

- Patent databases
- Scientific literature
- Conferences
- Grants (eg ARC Linkage)

**If it is a good idea, the chances are there are others working on the same problem**

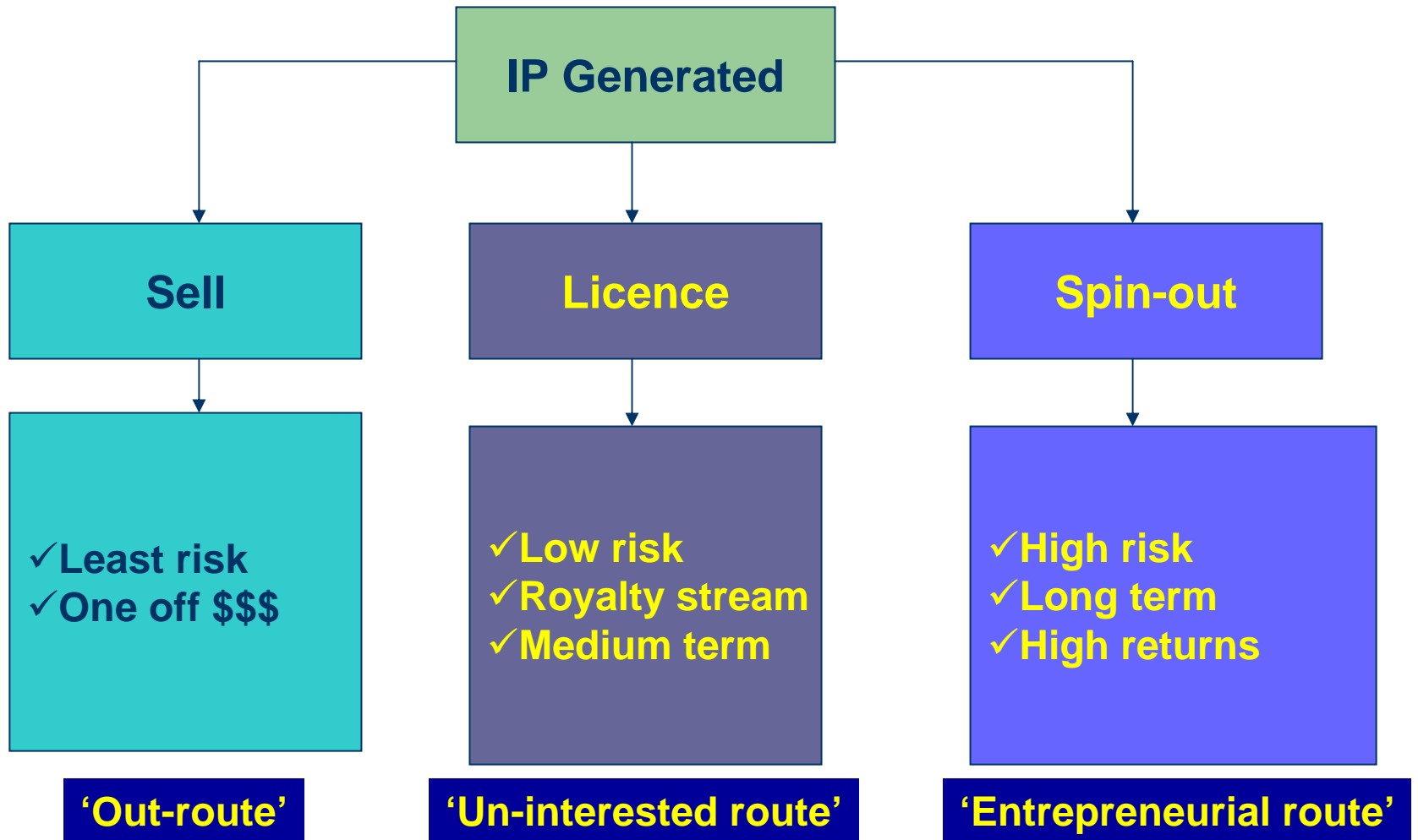
# IP and Market

- Workshop:
- Each team to decide on an “idea”
- Examine in the context of the IP and the Market
- Each team will present to the whole group

# Business Models

- How will the \$10 get from your customer's pocket into yours?
- Typical “business” models:
  - A company that sells a product
  - A license between the inventor and another company
  - Collaborative project built around a grant
  - Publication of invention that leads to collaboration
- Explore the options for your ideas

# Licence/spin out paradigm



# Business Models

- Commercialisation Strategies:
  - Collaborative research (grant, contract R&D etc)
  - Startup company and investment
  - Licence agreement leading to milestone payments and royalties
  - Joint research projects
- The strategy will probably vary over time

# Business Models

- Workshop:
- Each team to discuss the various commercialisation strategies for their ideas
- Look at all the factors – stage of development, resources required,
- Each team will present to the whole group

# Finance

- Costs associated with commercialisation
  - IP protection
  - R&D funding
  - Commercialisation funding
  - Associated costs of running a business
- The role of grants
- Investment in the current economic environment

# Finance

- Risk – the larger the risk the higher the expected returns
- Returns from commercialisation
- Sources of funding will vary over time
- Workshop:
- Each team to discuss the funding strategies for their commercialisation strategy

# People

- Open discussion:
- What makes an entrepreneur?

# Stay connected!

## **Hamish Hawthorn**

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