



Australian Institute
for Commercialisation

→ ideas → opportunities → outcomes →



Ideas to outcomes: *Commercialisation and entrepreneurship*

Rowan Gilmore, CEO
Australian Institute for Commercialisation

**NICTA Innovation Festival
10 May 2007**



Research, Commercialisation, Innovation, and Entrepreneurship

The logic works like this:

- Research converts money into new ideas
- Commercialisation is taking an idea to market
- Innovation is the successful exploitation of new ideas
- ...therefore researchers, being a key fount of new ideas, are ideally placed to drive innovation through commercialisation.
- BUT not all researchers are entrepreneurs!



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So You've Got An Idea...





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So You've Got An Idea...





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My commercialisation story



Time's Invention of the Year 2006:



What is it?

- A website where you can post your own home videos and view others' = a virtual video village
- YouTube now airs some 100 million videos and its users add 70,000 more each day
- Developed by Steve Chen, Chad Hurley and Jawed Karim in 2004
- Sold on 16 October 2006 to Google for \$1.65 billion



Time's Invention of the Year 2006: YouTube

Why it worked:

1. Video generation was readily available with cheap camcorders and easy-to-use software
2. Web communities like MySpace were thriving as people loved sharing information online
3. Consumers had become impatient with mainstream media – they wanted unfiltered video and news

<http://www.time.com/time/2006/techguide/bestinventions/inventions/youtube2.html>



Why Become an Entrepreneur?

- Be your own boss
- Choose a business that interests you
- Be creative
- Make lots of money





What is Entrepreneurship?

The essential elements of entrepreneurship:

- opportunity recognition
- market knowledge
- product knowledge
- the desire and ability to innovate
- the ability to assemble and effectively employ resources
- decision-maker
- innovator

and most recognisable of all amongst entrepreneurs:

a propensity for calculated risk taking



Characteristics of an Entrepreneur

- **Perseverance/passion**
 - Going the extra yard
- **External focus**
 - Create value for others
 - Accept the value/control trade-off
- **Self critical**
 - Know strengths and weaknesses
- **Compelling communicators**
 - The first door is the elevator door



Disadvantages of Entrepreneurship

- Entrepreneurship is risky
- Entrepreneurs face uncertain and irregular incomes
- Entrepreneurs work long hours
- Entrepreneurs must make all decisions by themselves

How Do You Succeed?



One of the most successful inventors is Edison. What made him successful?

Thomas Alva Edison did not become famous for inventing the electric light bulb. There were other players in the field at the time who also invented the light bulb separately

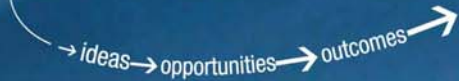
He became famous for turning the electric light bulb into a *commercially viable and practical solution*



Top Five Tips...

1. Determine if your idea is feasible
2. Conduct market research
3. Do a prior art search
4. Get a good NDA
5. Persist and seek sound advice

AND...come to an AIC Bootcamp !



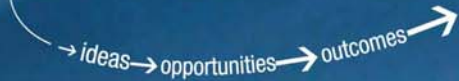
1. Determine If Your Idea Is Feasible

- Test your idea against a set of criteria to determine the commercial viability of a proposed venture
- The following slides outline some key considerations



Opportunity vs. Technology

- Description of the Opportunity vs. Technology
- Ask – what is so unique about your idea?
- Consider IP Protection – Freedom to operate (FTO)
- Ownership Issues?
- How much development remains?
- Have you demonstrated ‘proof of concept’?



Market Assessment

- Does a market exist for the opportunity?
- Analysis of market/target market
- Who are the key customers?
- Competitor analysis
- Potential distribution channel/Route to market
- What are the key success factors?
- Do any impediments exist?



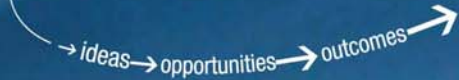
Partners & Collaborators

- You cannot do everything yourself!
- Identify potential partners
- What are the benefits they bring to the project?
- Consider future technical and strategic support needed
- Can you outsource activities to fast track your project?



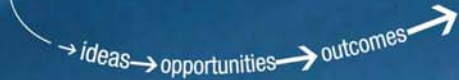
Management Team

- Investors focus on the strength of the management team!
- Determine both the technical and commercial experience required in your team
- What key skills do you need to progress the project?
- What are the external resources required?



Business Model

- You must have a strong business model!
- Consider the business structure and governance
- What is your revenue model?
- What is the revenue potential by key markets?
- Identify key risks and sensitivities
- Determine anticipated costs
- Key timeframes and milestones



Funding/Financing

- How much funding is required for the project?
- What will this be used for?
- Identify funding sources – Government & private funding (family, friends and fools)
- Determine the potential ROI for the project



2. Conduct Market Research

Fact

“The probability of you convincing a qualified investor to hand over money without independent proof of the potential market size and trends (market research) is close to zero.”

Why do market research?

- Gain a *competitive advantage*
- Assess the level of demand for your idea
- Support strategic decision making and technical development
- Assist in valuing your technology
- Reduce the RISK and determine the best commercialisation model



Identifying customer needs

- Capturing the “voice of the customer”*
 - 18 Customer Interviews capture approx. 90% of the market’s needs
- Traditional approaches
 - Market research – primary & secondary
 - Watching customers using products
 - Customer surveys
 - Face-to-face
 - Workshops - focus groups

* [Griffin, A. & Hauser, J.R. (1993), *The Voice of the Customer*, Marketing Science, 12 (1), pp1-27]

Steps to DIY Market Research

1. Define the problem
Why do you need to conduct research?

2. Set research objectives
What do you need to learn?

3. Plan the research method
What resources and sources will you need?

4. Do the research

5. Process the information
How can this information be used?

6. Act on the findings
Use the information. Or why did you bother?



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Useful Market Research Links

DIY Secondary Research

www.marketresearch.com

www.abs.gov.au

www.census.gov/

www.statistics.gov.uk/

DIY Primary Research

www.groups.google.com/

www.prospectshop.com.au/business_lists.html

www.expatriateconnect.com

www.zoomerang.com/login/index.zgi

www.EMRS.com.au



3. Do A Prior Art Search

Why conduct a prior art search?

- To avoid “reinventing the wheel”
- To monitor your competitor’s activities
- To find complementary IP that is expired or available for licensing
- To avoid infringing other’s registered IP
- To establish novelty in your invention



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Who can conduct a prior art search?

A patent or trade mark attorney can conduct a search for you

OR

You can search on your own for free using a number of internet resources.



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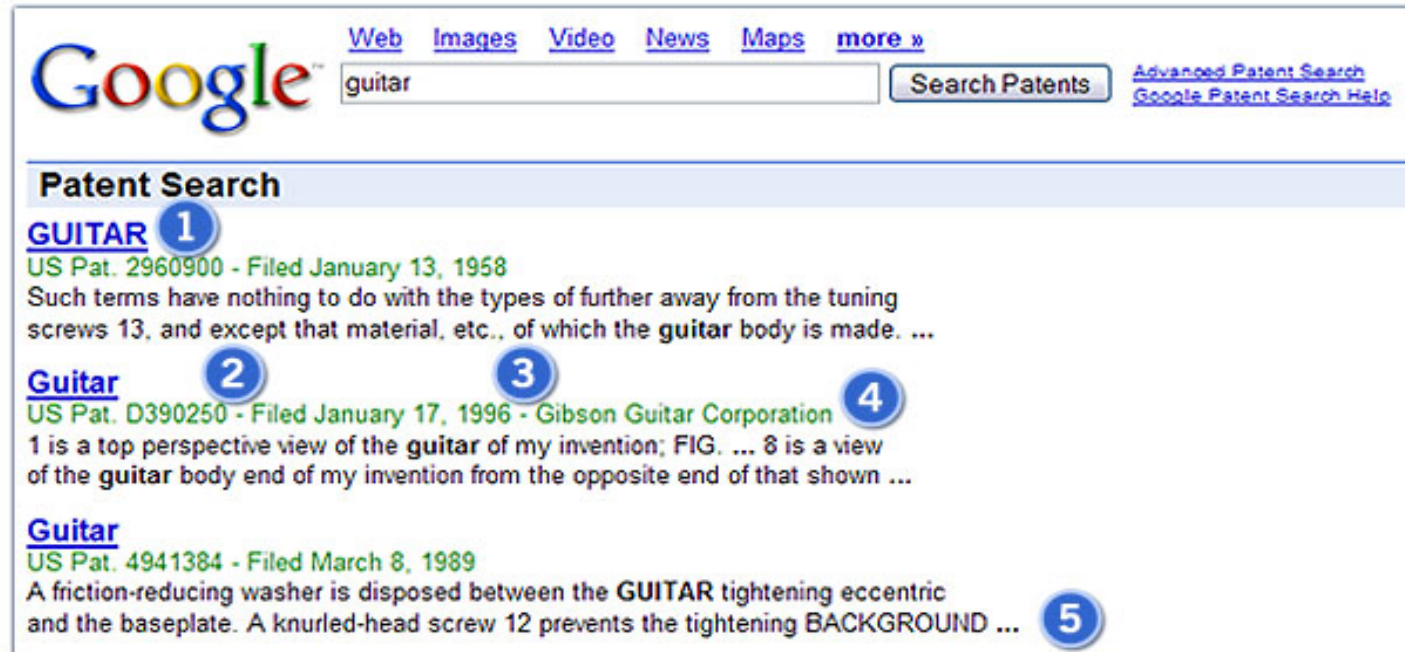


Google Patent Search

- Google Patent Search can be accessed via www.google.com/patents
- Much more user-friendly database
- Currently includes only U.S. patents from the United States Patent and Trademark Office (USPTO)

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Explanation of Terms

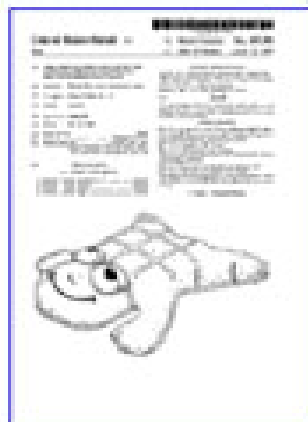


The screenshot shows a Google search for 'guitar' with a 'Search Patents' button. Below the search bar, there are three patent results. Each result is numbered with a circled number (1, 2, 3, 4, 5) corresponding to the legend below. The first result is 'GUITAR' (1), filed in 1958. The second is 'Guitar' (2), filed in 1996 by Gibson Guitar Corporation (3), with a snippet mentioning 'FIG. ... 8'. The third is 'Guitar' (4), filed in 1989, with a snippet mentioning 'BACKGROUND ...' (5).

1. Patent Title
2. U.S. Patent Number
3. Filing Date
4. Assignee Name
5. Patent Snippet

Ornamental child's pillow in the fanciful form of a toad with a hatching design on its back Hillard Bear

Patent summary **1**



[Abstract](#) | [Drawing](#) | [Description](#) | [Claims](#)

Patent number: D407939
Filing date: February 17, 1998
Issue date: April 13, 1999
Inventor: Hillard Bear
Assignee: Crown Crafts, Inc.

Current U.S. Classification
 D 6598; D21600

International Classification
 0609

[Read this patent](#)

[View patent at USPTO](#)

Search within this patent **4**

Citations **5**

Patent Number	Title	Filing Date
D257273	Stuffed toy animal	October 7, 1980
D269985	Toy frog on a scooter board	August 2, 1983
D313311	Frog bag	January 1, 1991
D387934	Ornamental child's foldable seat cushion in the fanciful form of a frog	December 23, 1997

Referenced by **6**

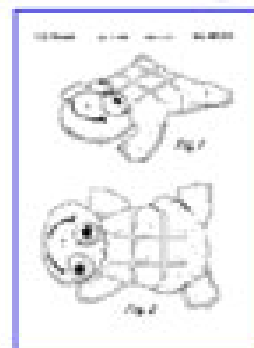
Patent Number	Title	Filing Date
D434799	Interactive educational toy	December 5, 2000

Claims **2**

What is claimed is:

The ornamental design for ornamental child's pillow in the fanciful form of a toad with a hatching design on its back, as shown and described.

Drawings **3**



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[Page 3](#)



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IP Australia

- IP Australia's patent database Patsearch can be accessed via http://pericles.ipaustralia.gov.au/ols/searching/patsearch/search_page.jsp



Australian Government

IP Australia



online services

New application ? **START HERE** Existing application or IP right ? **START HERE** Not sure where to start ? **START HERE**

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Log in
Enter user name

LOGIN

Home > Search databases > Patents > Patsearch

Patsearch

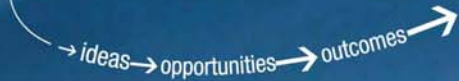
Check the [Search Advice page](#) for the latest updates (Last Update on 18 April 2006).

Please enter one or more criteria below:

Searching tips **Further information**

patent details

i Patent / Application Number	<input type="text"/>
i Associated Provisional Number	<input type="text"/>
i Related Number	<input type="text"/> <input type="checkbox"/> Related search - disables other fields
i Priority Number	<input type="text"/>
i Applicant Name	<input type="text"/>
i Inventor Name	<input type="text"/>
i Title	<input type="text" value="Guitar"/>
i Status	Exclude: <input type="checkbox"/> Lapsed <input type="checkbox"/> Withdrawn <input type="checkbox"/> Ceased <input type="checkbox"/> Expired Exclude: <input type="checkbox"/> Sealed <input type="checkbox"/> Under Examination <input type="checkbox"/> Under Opposition Exclude: <input type="checkbox"/> Provisional <input type="checkbox"/> Innovation <input type="checkbox"/> Standard



Tips for effective searching

- **Use searching operators** – operators can help you to be more specific about your topic
 - **Phrase search**
 - **OR**
 - **“_” / “BUT NOT”**
 - *****
- **Choose your search words carefully!** sometimes it is best to use words that describe the claims of the patent rather than the application



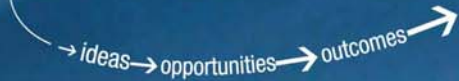
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Example – tray cover for a ute





4. Get A Good NDA

- Idea theft – fact or fiction?
 - Barrier is often your time taken to develop the invention
- How do you get advice without giving away your idea?
 - Confidentiality agreement or non-disclosure agreement
- Don't discuss your idea with competitors without adequate protection
- Avoid public disclosure prior to protection



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Finding an NDA Agreement

- AIC's Gateway Enterprise
- NICTA's business development office
- Web search



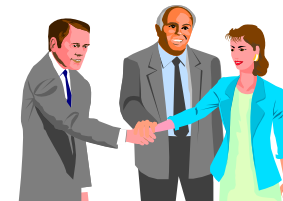
5. Persist and Seek Sound Advice

*“A person who never made a mistake
never tried anything new” **Albert Einstein***

- Believe in yourself – not many others will
- If you get rejected keep trying
- Entrepreneurs are business people, but not all business people are entrepreneurs

Do you have access to all the necessary skills?

- Operational Manager
- Business Development Managers
- Commercialisation – idea to market
- Strategic IP Management
- Entrepreneurial skills – calculated risk
- Marketing & Strategic Relationship Mgt
- Accounting and Legal Advice
- Creativity and Innovation
- Interpersonal/Networking skills



Where do you fit?



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How the AIC Enhances Commercialisation

- **Facilitates** deal flow by establishing linkages between researchers, industry and governments to foster the transfer and adoption of intellectual property (IP)
- **Farms** early stage IP from across Australia



- **Delivers** leading practice advice, and provides online commercialisation tools and extensive education programs
- **Promotes** industry development and innovation by championing commercialisation issues

Commercialisation Solutions

Solutions & Consultancy

Customised solutions and advice, using tools and professional development programs to improve commercialisation outcomes



- **Business Diagnostic Tools: Gateway Enterprise-** a secure, online commercialisation resource that helps organisations disclose, evaluate and manage their intellectual assets.
- **Professional Development:** delivery of commercialisation and innovation workshops, forums and seminars throughout Australia and Queensland



Commercialisation Solutions

- **Market Research:** customised market research service to address information needs in early-stage commercialisation projects.
- **Early-stage Consultancy:** customised advice on IP policy, strategy, and management derived from AIC's hands-on commercialisation experience

Solutions & Consultancy

Customised solutions and advice, using tools and professional development programs to improve commercialisation outcomes



Forensic Register: Qld Police Service

An integrated forensic management system developed within QPS

- *Manages all crime scene forensic evidence and forensic personnel*
- *Developed in-house to ISO standards*
- *Integrates with national policing systems and DNA laboratories in health*
- *Comprises 3 different IP components owned by QPS*
- *The Opportunity*
 - *Identified opportunities in 3 other states & SE Asia (QPS seen as a national leader)*
- *The Outcomes*
 - *Market scan identified 3 potentials target firms with capability*
 - *Project managed RFP, selection recommendation and deal negotiation.*
 - *Resulting software product commercialisation licence (exclusive, worldwide) currently being reviewed*





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rowan.gilmore@ausicom.com

07 3853 5225