



Commercialization Preliminaries

New Mexico Tech

October 14, 2011

[*So You Think You Made Something Cool...*]

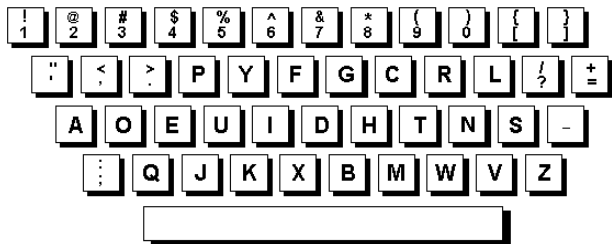
- Is it ***Marketable?***
- Is it ***Protectable?***
- Is it ***Manufacturable?***

Question 1: Is it Marketable?

Slaying the Myth

“If you build a better mousetrap, the world will beat a path to your door.”

WRONG!



Dvorak Keyboard



“Qwerty” Keyboard

It's the Market , Stupid!

Size

- Use Research Rigor on Market Analysis
- Proper market segmentation is key to Size and Sales
 - Find the Customers for YOUR Product

Growth

- Where the market will be is as important as where it is

Pain

- How badly do the customers need a better solution?
- How good are the solutions in the marketplace today?

Competition

- Know Competing Options as well as Products or Services

*Question II: Is It Protectable?
...and is it Available?*

Protectable Intellectual Property

- **Is Your Research Intellectual Property?**
 - Is it truly novel?
 - Have others beaten you to it?
 - Can it be protected through patent or trade secret?
- **Constraints within the University**
 - IP developed at NMT generally belongs to NMT
 - Other ownership rights might exist
 - The University has scarce resources for filing patents

Question III: Is It Manufacturable?

Scale-up: Exercise Left to the Reader

- What's the Current Technology Readiness Level (TRL)?
- What's Needed to Make the Right Product in Quantity?

Technology Readiness Level (TRL)

9 - Product in use

8 - System complete

7 - System Demo

6 - Prototype Demo

5 - Field Validation

4 - Component validation

3 - Proof of Concept

2 - Technology Concept

1 - Basic Principles

High growth company

Stage of development required to attract entrepreneurs & investors (investment grade)

Stage of development of most University technologies

Question IV: Now What?

Finding the Right Home...

- **Should Your Intellectual Property be Licensed?**
 - High Manufacturing or Marketing costs
 - High “Balance of Plant” needs
 - Large, entrenched competition
- **Should Your IP Become a Company?**
 - Will you be part of the Company?
 - Technology \neq Company
 - This is where it gets interesting....

[*Technology's Role in a Company's Success*]

- **Good technology is a necessary but not a sufficient condition for success**
 - A good license cannot make a deal, but a bad license can kill a deal
- **Example: Verge Initial Review Process**
 - Evaluate each opportunity on 34 criteria
 - Only 3 are related to the IP or the technologist (**<9%**)
 - 7 total (including the 3) related to product
 - Verge is a *pre-seed* fund

Start-up Technology Licenses

- **Economics**
 - Equity: We like everyone to have skin in the game
 - Upfront fees: Low
 - Payments: Tied to when the licensee makes \$\$
- **Field of Use**
 - Must be sufficiently broad to allow company to evolve
 - Exclusivity is not always necessary, but is preferred
- **Appropriateness for the industry**
 - Must fit with terms in the particular industry

Ask Yourself the Hard Questions

- **Why do you want to be an entrepreneur?**
 - Get rich?
 - Change the world?
 - Build a legacy?
 - Create and evangelize technology?
- **What are your strengths and weaknesses?**
 - What help do you need?
 - How do your strengths fit the business?
 - How do you deal with stress?
- **How big is the opportunity? Really?**
- **Are you willing to deal with the consequences?**
 - Are you willing to quit your job and mortgage your house to do it?
 - How will you cope when things go terribly wrong?

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