



TT Agreements



DeltaTech-Korea Ltd.

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I. Tech Transfer



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1. What is TT

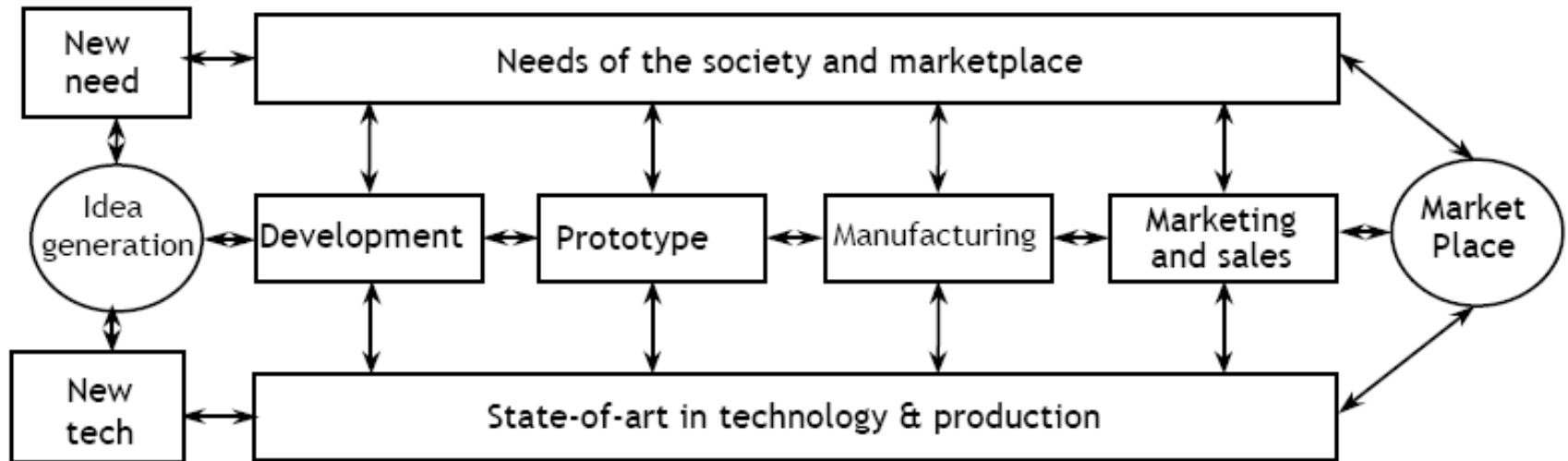


- Movement of data, designs, inventions, materials, software, technical knowledge or trade secrets from one organization (“donor”) to another entity (“recipient”).
- The successful application and/or adaptation of an innovative technology developed in one organization to meet the needs of one or more other organizations.

2. When it take place



- At any stage of the innovation process

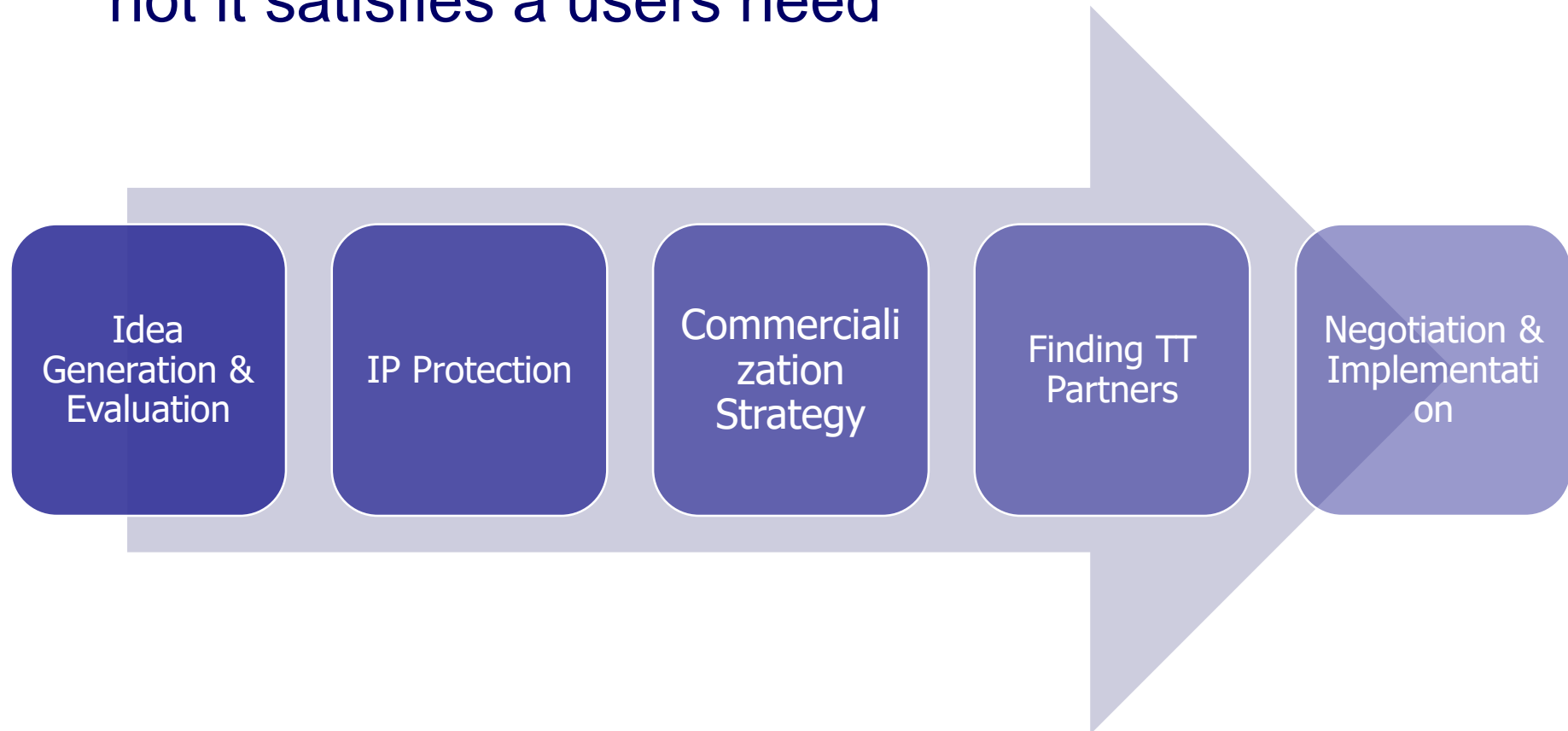


Adapted from Chiesa V., "R&D Strategy and Organizations", Imperial College Press, 2001, pag.6

3. Tec Push



- A new invention pushed through R&D, production, sales and enters onto the market sometimes without considering whether or not it satisfies a users need



4. Market Pull



- Refer to the tech needs for a new product or a solution to a problem
- Identified by potential customers or market research

Reasons to collaborate

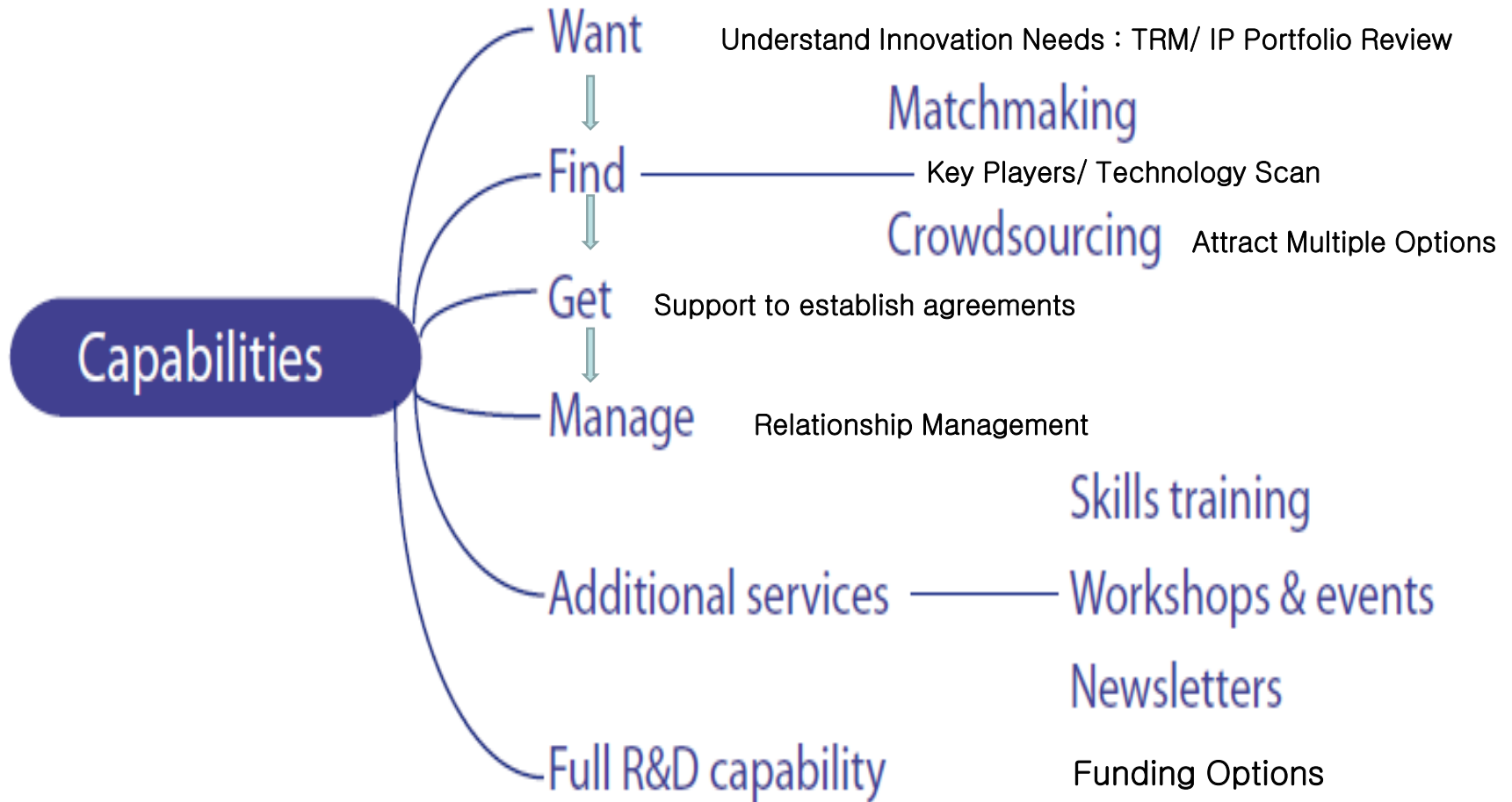
1. need to improve one's "strategic" position
2. need to enhance one's technical capabilities.

Starting point for establishing a TT collaboration:

Strategic planning

- Analysis of strengths and weaknesses, as well as external environment (SWOT analysis);
- Strategy formulation (according to the results of the SWOT analysis);
- Execution of the strategy.

4. Market Pull



5. TP vs MP



Business Decisions	Risky	Safe
Cost of Risk	Moderate to High	Low to Moderate
Cost of R&D	Moderate to High	Low to Moderate
Return on Investment (ROI)	Unknown, unsure	Assured
Cost of Marketing	Reshaping the Market	Easy
Investment	Moderate to High	Low to Moderate
Market Education	Customer educated by producer	Customer educated by customers
Managerial Mindset	Vision	Leadership



II. Types of Agreement



1. Parameter
2. Deal Structure
3. Licensing
4. Joint Venture
5. Spin-offs
6. Example

1. Parameter



Transfer medium

The vehicle, formal or informal, by which the technology is transferred:

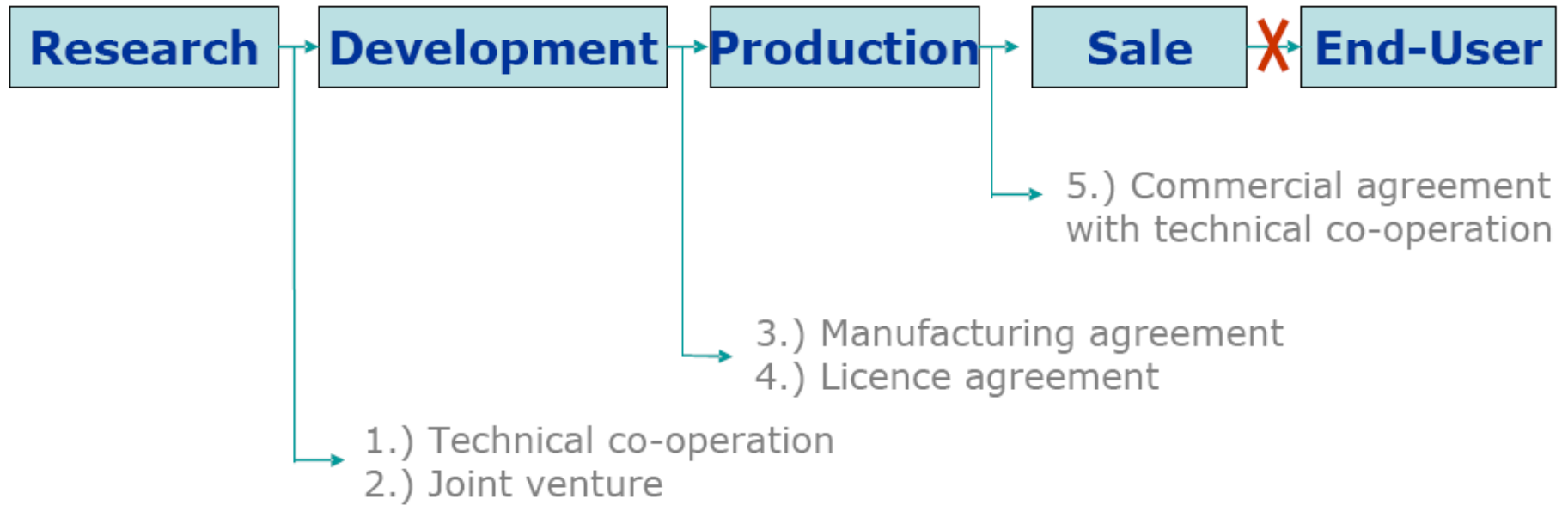
- Inventor
- TTO
- Recipient = Seeker
- Intermediary

Types of agreement

- Licensing agreement
- Technical Cooperation
- Joint Venture
- Manufacturing agreement
- Commercial agreement with technical assistance

The optioned route (channel) to TT should be part of the strategy.

2. Deal Structure



2. Deal Structure



Licensing agreement

Product license (e.g. franchising) versus technology (e.g. IP) license.

Technical cooperation

- Adapt a technology, a product or a process for a new application or sector.
- Develop a technology, a product or a process to meet new market needs.

Joint Venture

Formalized link between entities, with the sharing of sensitive information, resources and assets.

Commercial agreement with technical assistance

Ensuring effective start-up and/or maintenance and/or installation of the transferred technology.

Manufacturing Agreement

Subcontracting & Co-contracting

3. Licensing



An agreement whereby licensor agrees to give licensee the **right** to intangible property; patents/ copyrights/ trade marks/ inventions/ formulas

Right granted for a specified time frame

Subject to payment of **royalty**

Gain capital cost required to get foreign operation going from licensee
Get incremental income
Acquire research output by cross licensing

Loss of tight control
Risk associated w/ trade secrets

4. Joint Venture



Share ownership of enterprise newly-established
: committed less resources

Key – choice of local partner: what interest/ strategy/ objective

Enjoy benefits accrued from coordinated activities

Reduction in cost/ risk/ political considerations
Use local partner's knowledge/ human network

Conflict of interest/ Less of firm control
Risk of exposing trade secrets

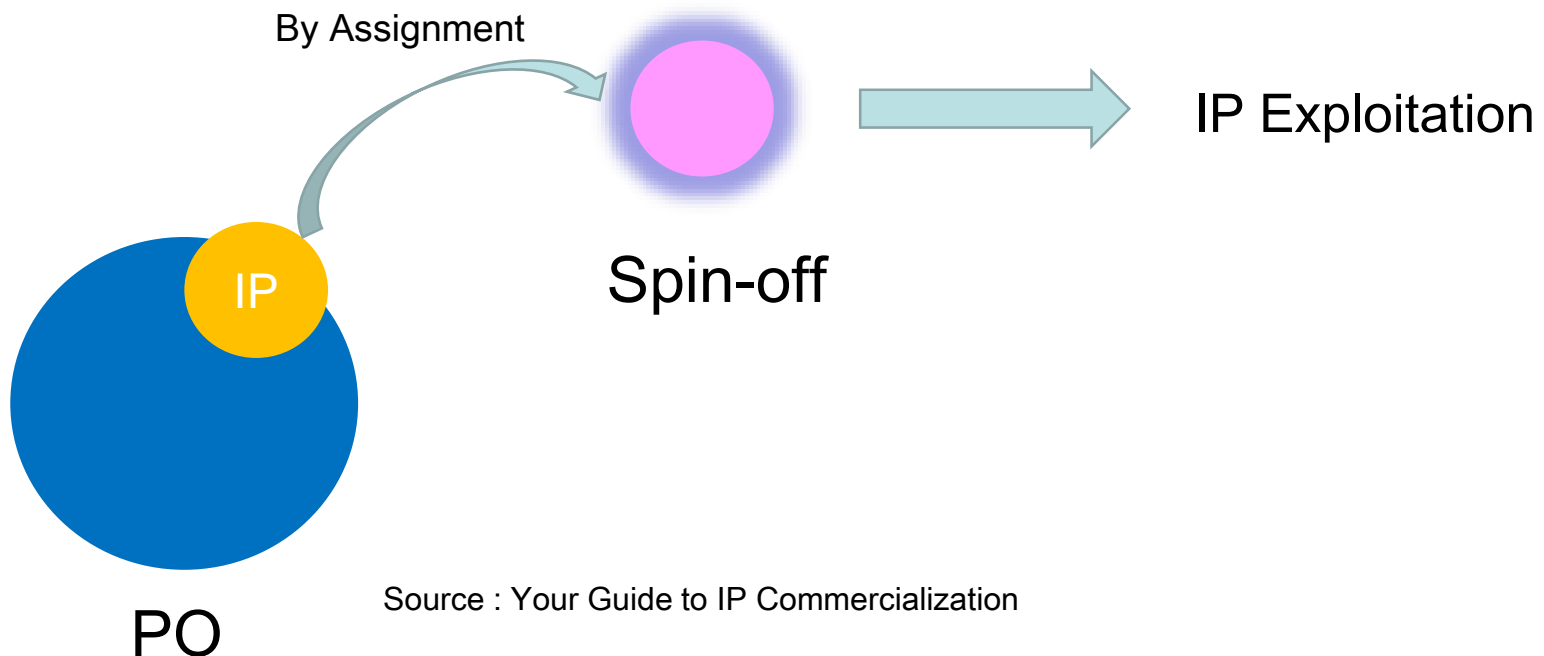
5. Spin-Offs



- ❖ Separate legal entities by parent organization (PO)
- ❖ A solution for PO who may not be capable of commercialization of IP
- ❖ A means of technology transfer between research environment & industries

Spin-off by separation

- Formed through separation from parent organization's structure
- PO directly contributes financial, human, intellectual capital



Source : Your Guide to IP Commercialization

6. Example

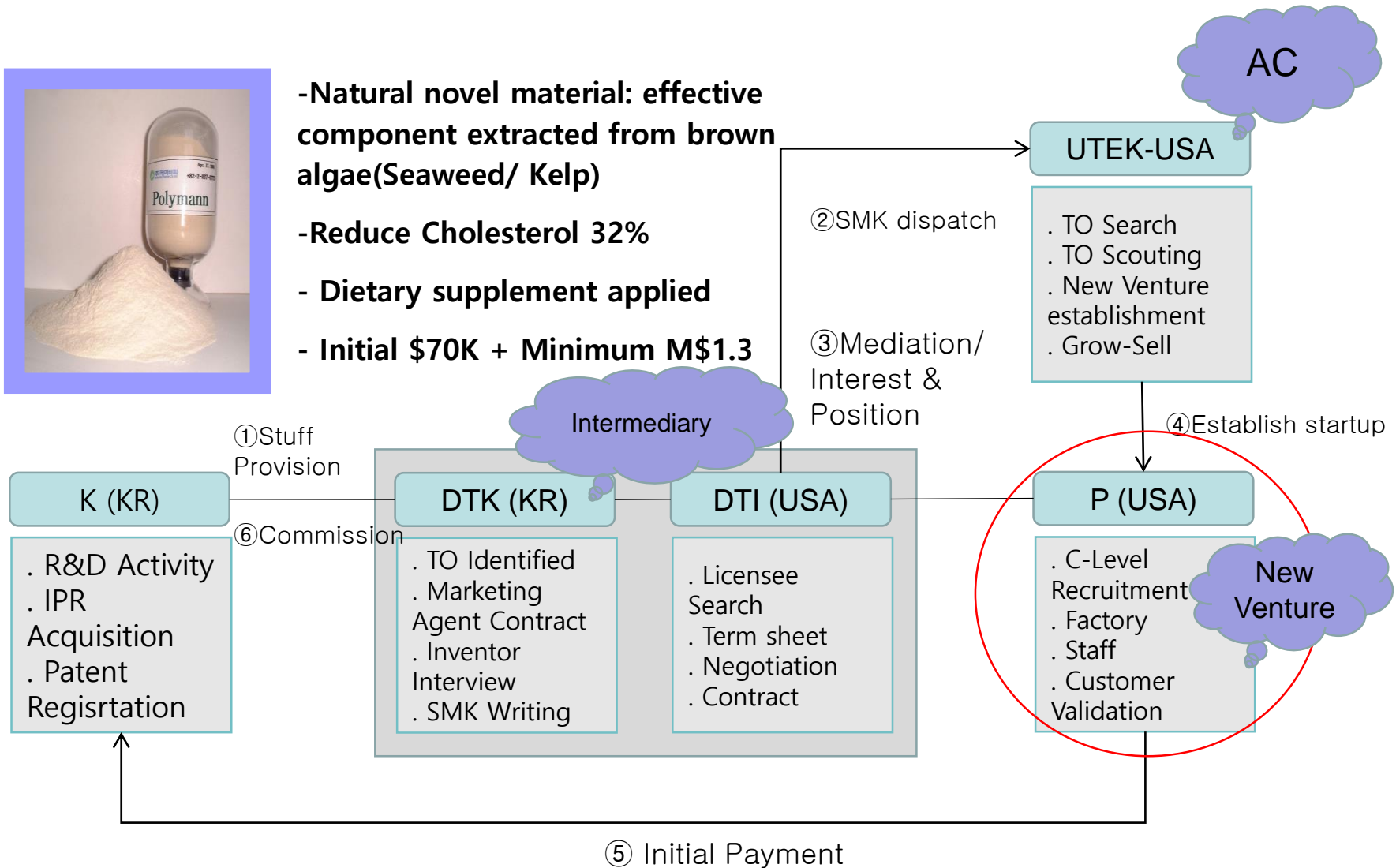


-Natural novel material: effective component extracted from brown algae(Seaweed/ Kelp)

-Reduce Cholesterol 32%

- Dietary supplement applied

- Initial \$70K + Minimum M\$1.3





III. Commercialization



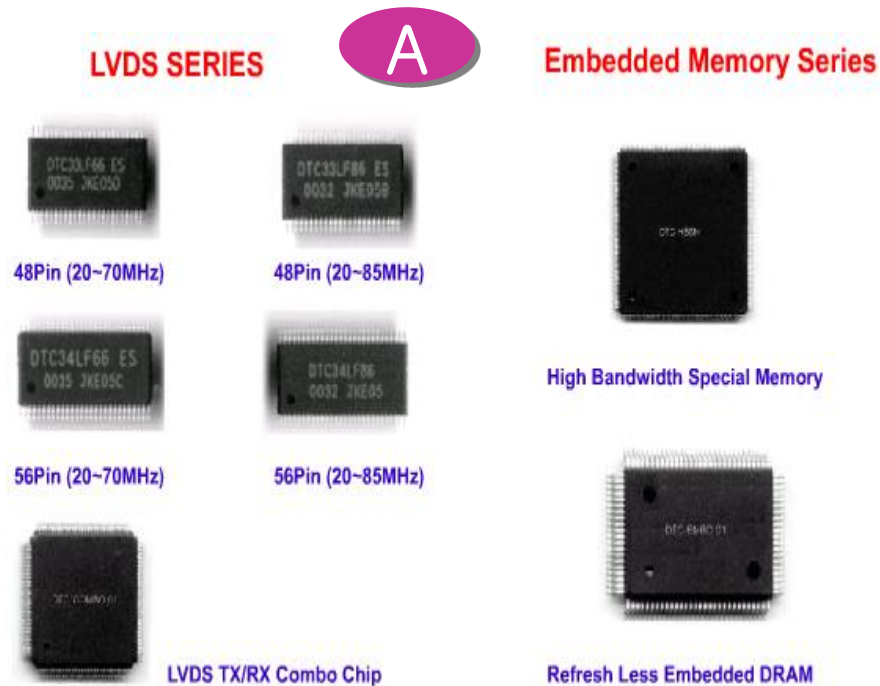
1. Attractive Technology
2. Definition
3. Process
4. Consideration
5. Product Development
6. Partners

1. Attractive Tech



Q1) Which is high technology?

Q2) Which is attractive technology?

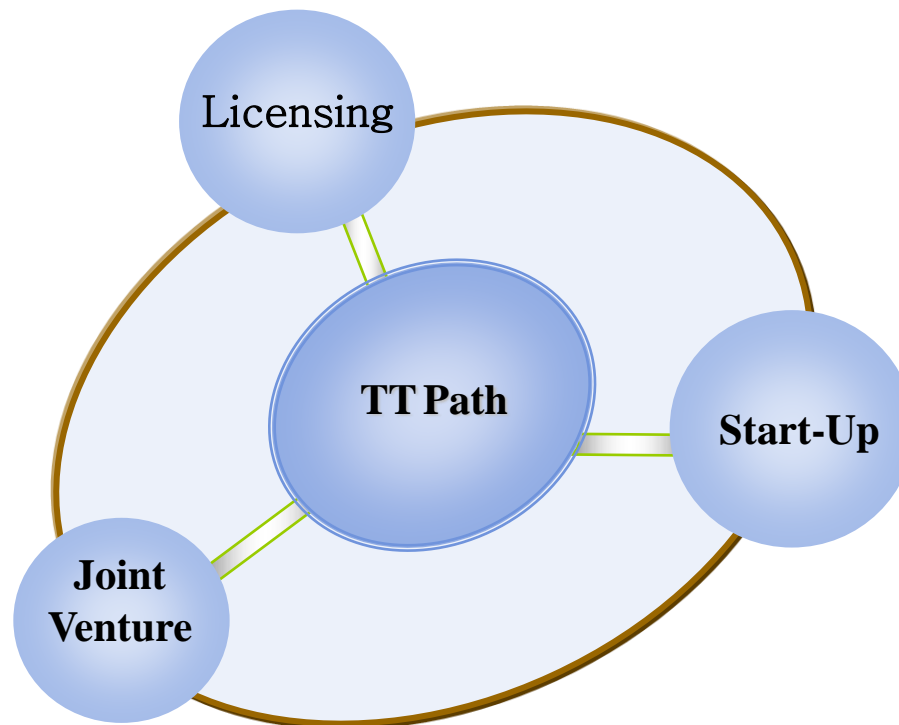


	A Company			B Company		
	Yr2005	Yr2006	Yr2007	Yr2005	Yr2006	Yr2007
Sales (\$000)	6,000	4,000	2,000	100	500	1,200

2. Definition



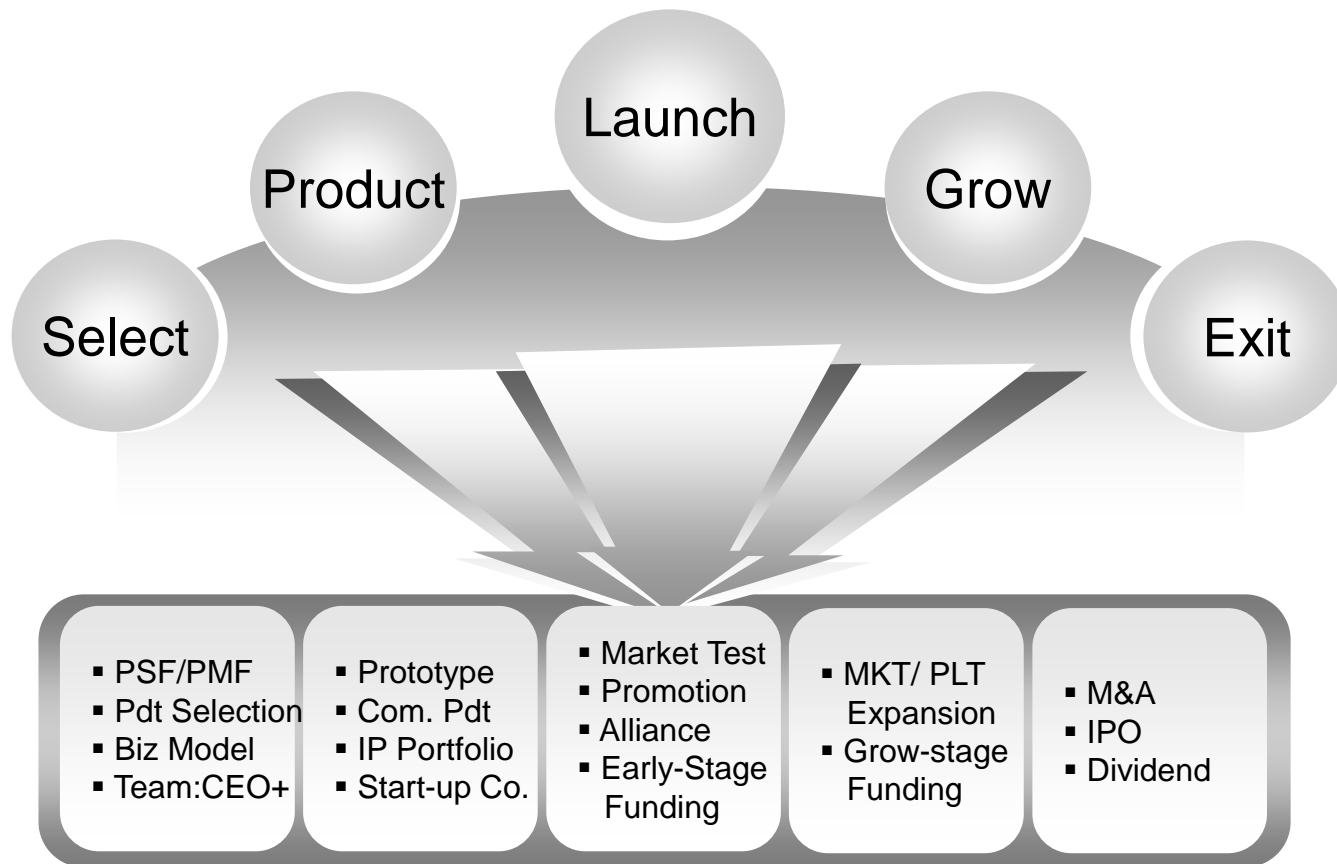
- The process of technical innovation from the research laboratory to the market place
- A conversion of ideas into products and services (“Lab to Market”)
- Considerations: market positioning, competitive offerings, manufacturability, cost & margin, market maturity, pre-existing IP, etc.
- Path: Start-up company, Joint Venture or Licensing



3. Process



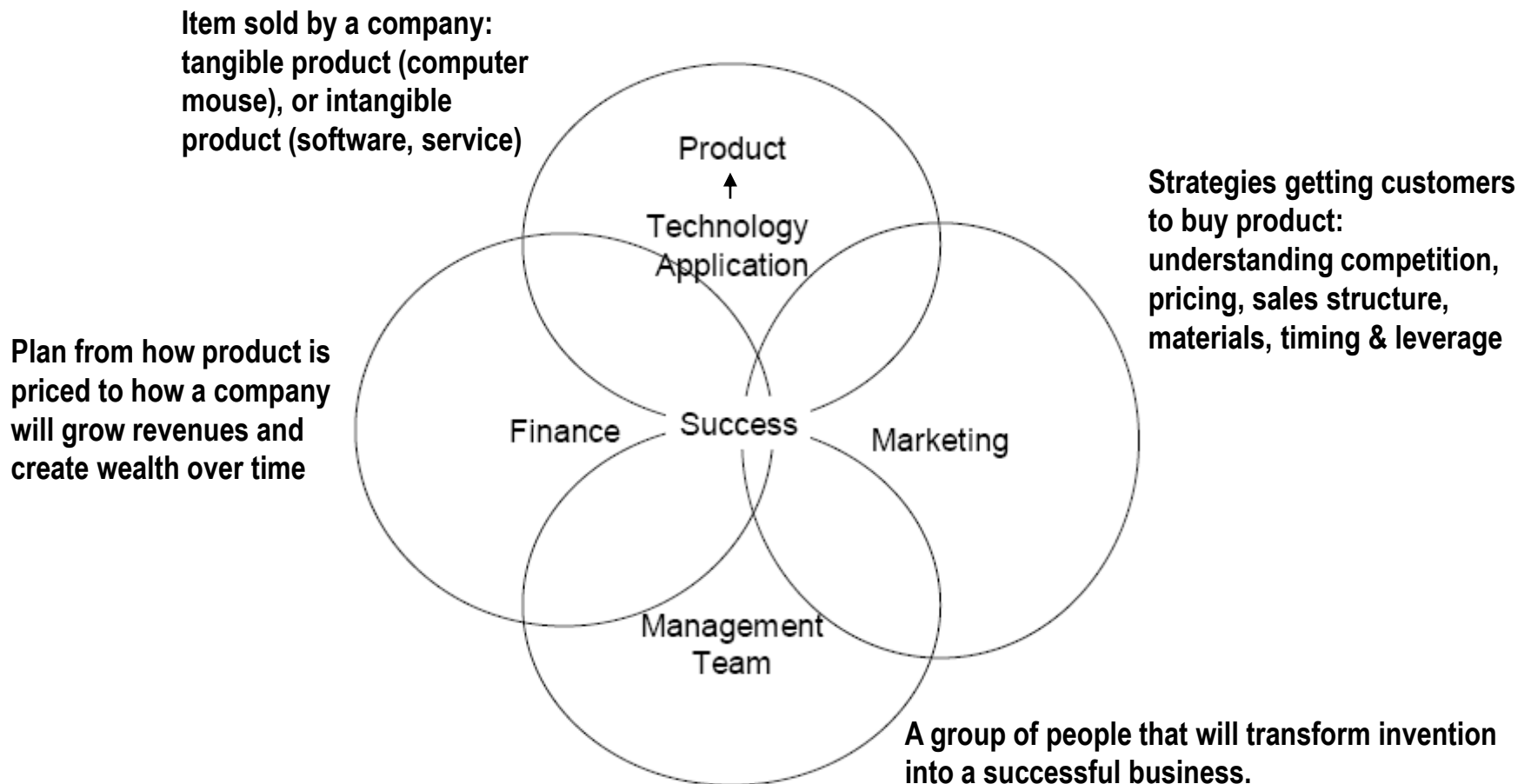
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4. Consideration



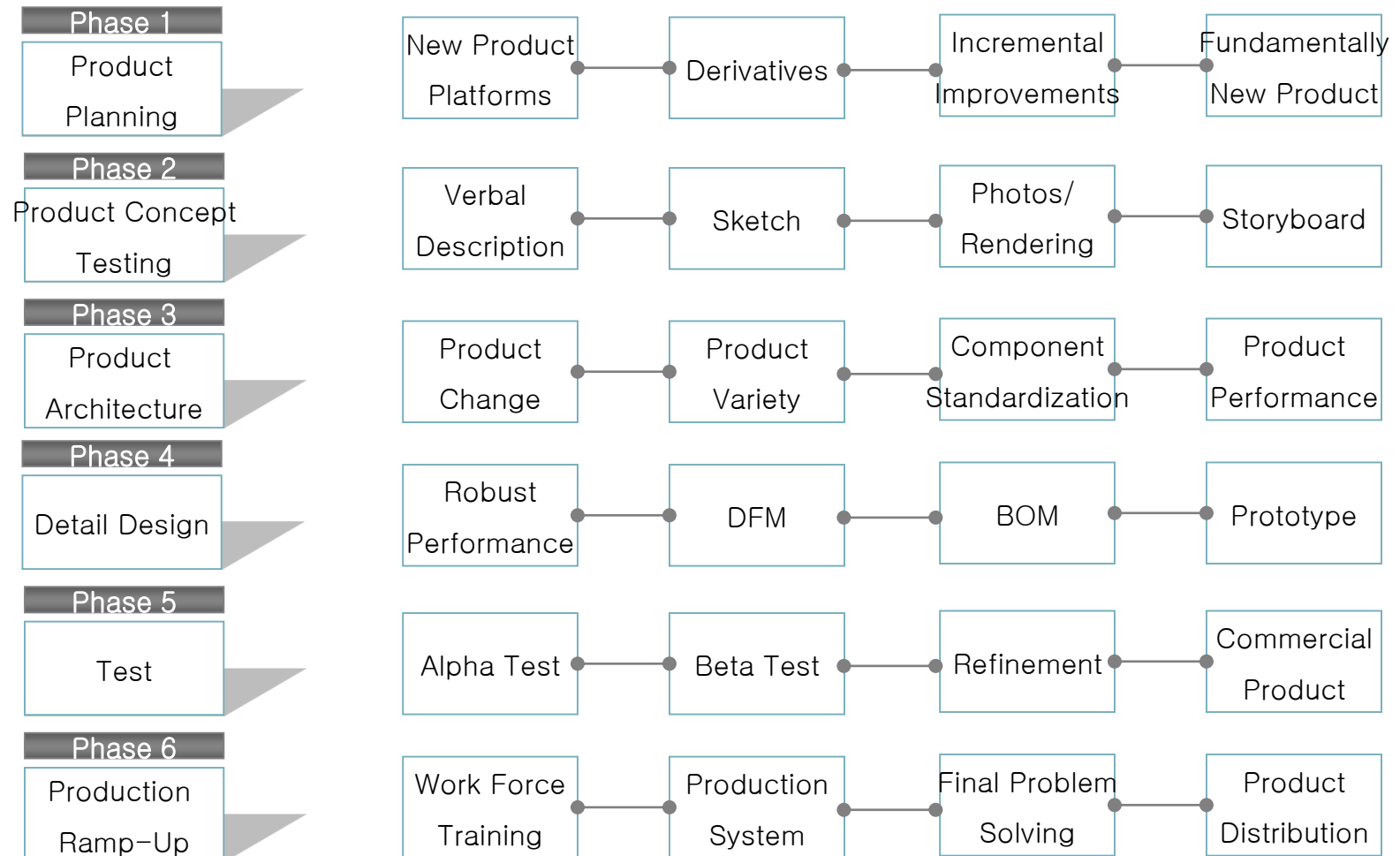
Market positioning, Competitive offerings, Manufacturability, Cost & margin, Market maturity, Pre-existing IP, etc.



5. Product Development



- How much more work is required before it is ready to enter the market?
- Is the only work required product & business development?
- Is significant research required to resolve additional challenges before any product development is possible?

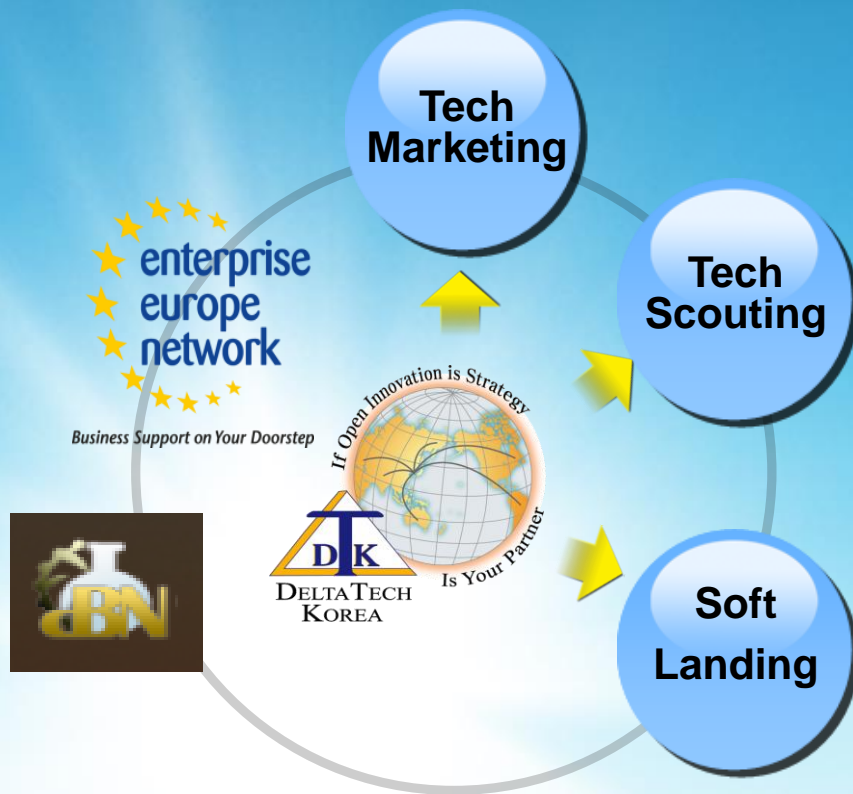


6. Partners



- Assess your own strengths and determine the additional expertise you will need: Product/Technology, Market, Finance
- Partners could be comprised of:
 - Entrepreneurs from outside
 - Licensing/ Business Consultants
 - Business/ Entrepreneurship Students
 - Business Professors
 - Professional Management teams, Fractional CFO, CMO, often for a % of the company
 - Angel Investors/ Venture Capitalists
 - Team Brokers (Head Hunting Professional)

THANK YOU



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