

# **INNOVATION AND IP STRATEGY AS THE COMPANY EVOLVES: A COMMERCIAL PERSPECTIVE**

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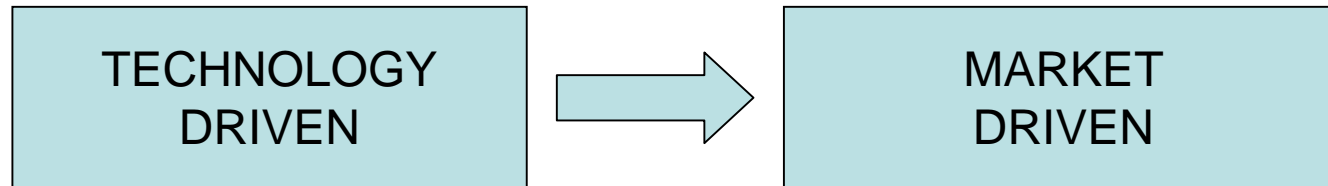
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May 2006

- “INVENTION” : Creating the idea
- “TECHNOLOGY” : Adding the scientific and engineering knowledge that gives the idea practical value
- “ INNOVATION” : What lies beyond the idea and its technology ... what gives the idea commercial value

## Three basic questions .....

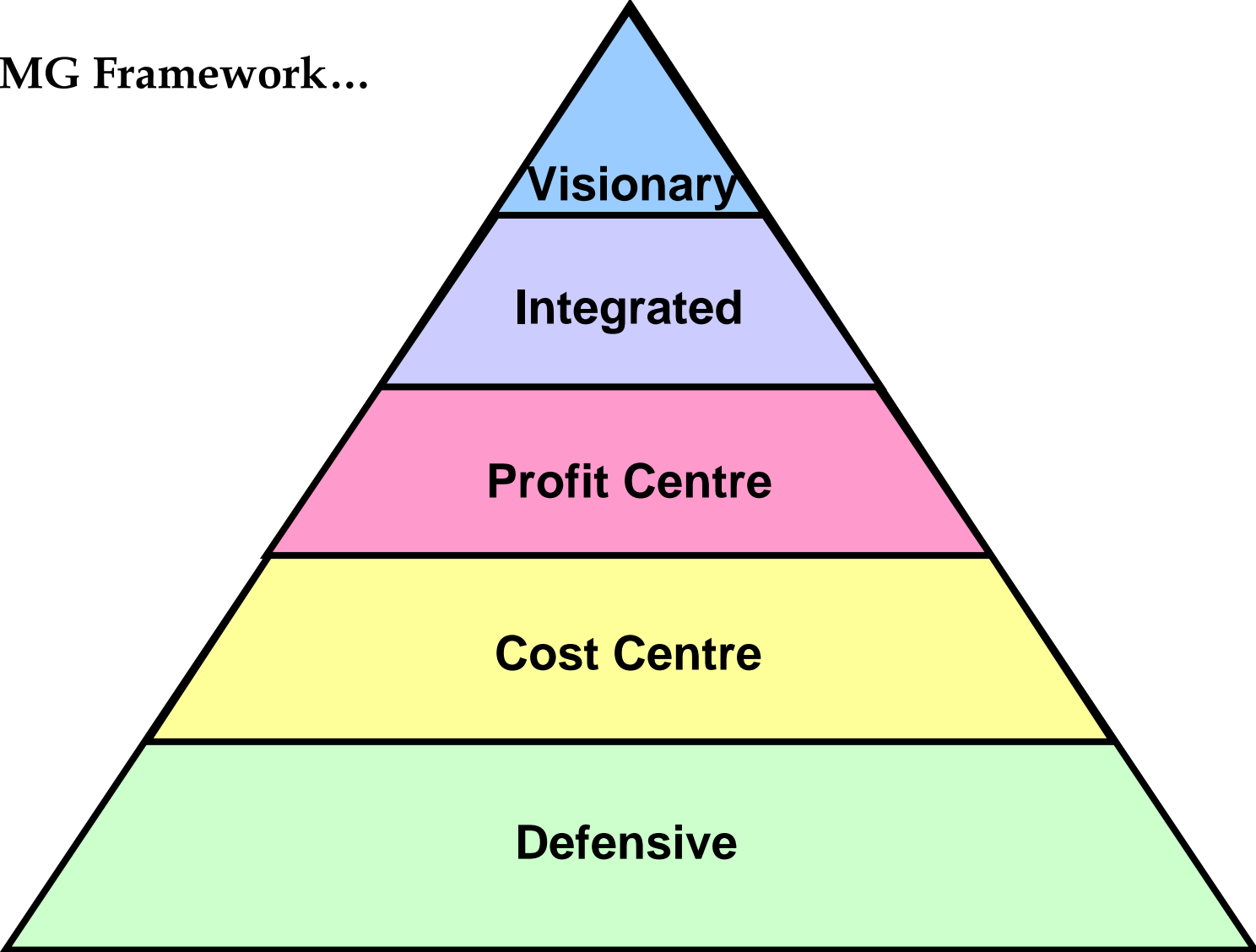
1. How do Innovation and IP priorities change as a business emerges from early-stage research to compete in global markets?
2. As a company matures, just what IP is ultimately useful to the core business?
3. What to do with the commercially-valuable IP generated outside the scope of the core business?

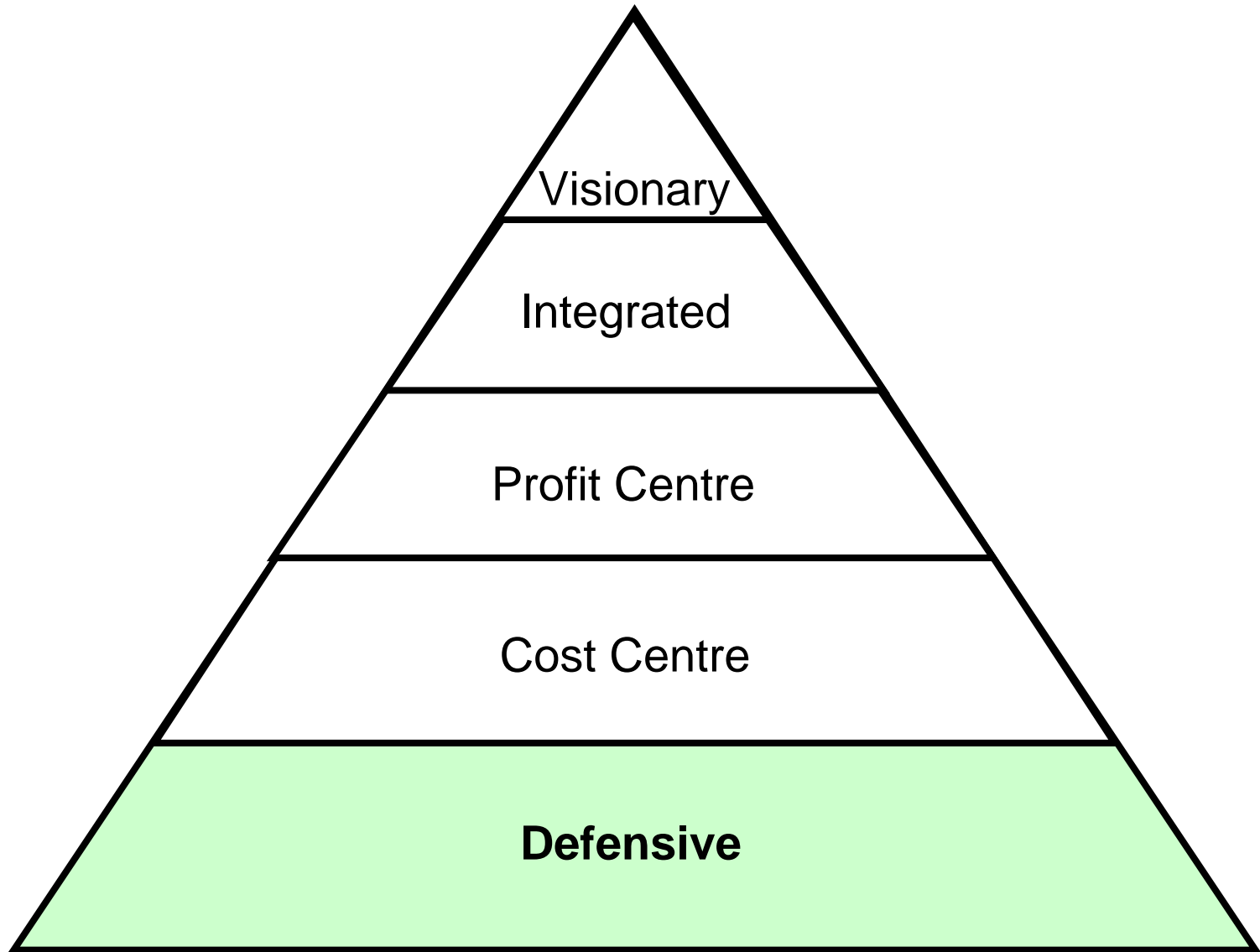
From a commercial viewpoint ....



- Themes that emerge in Innovation and IP strategy .....
- Issues that arise in putting Innovation and IP strategy into practice ....

ICMG Framework...



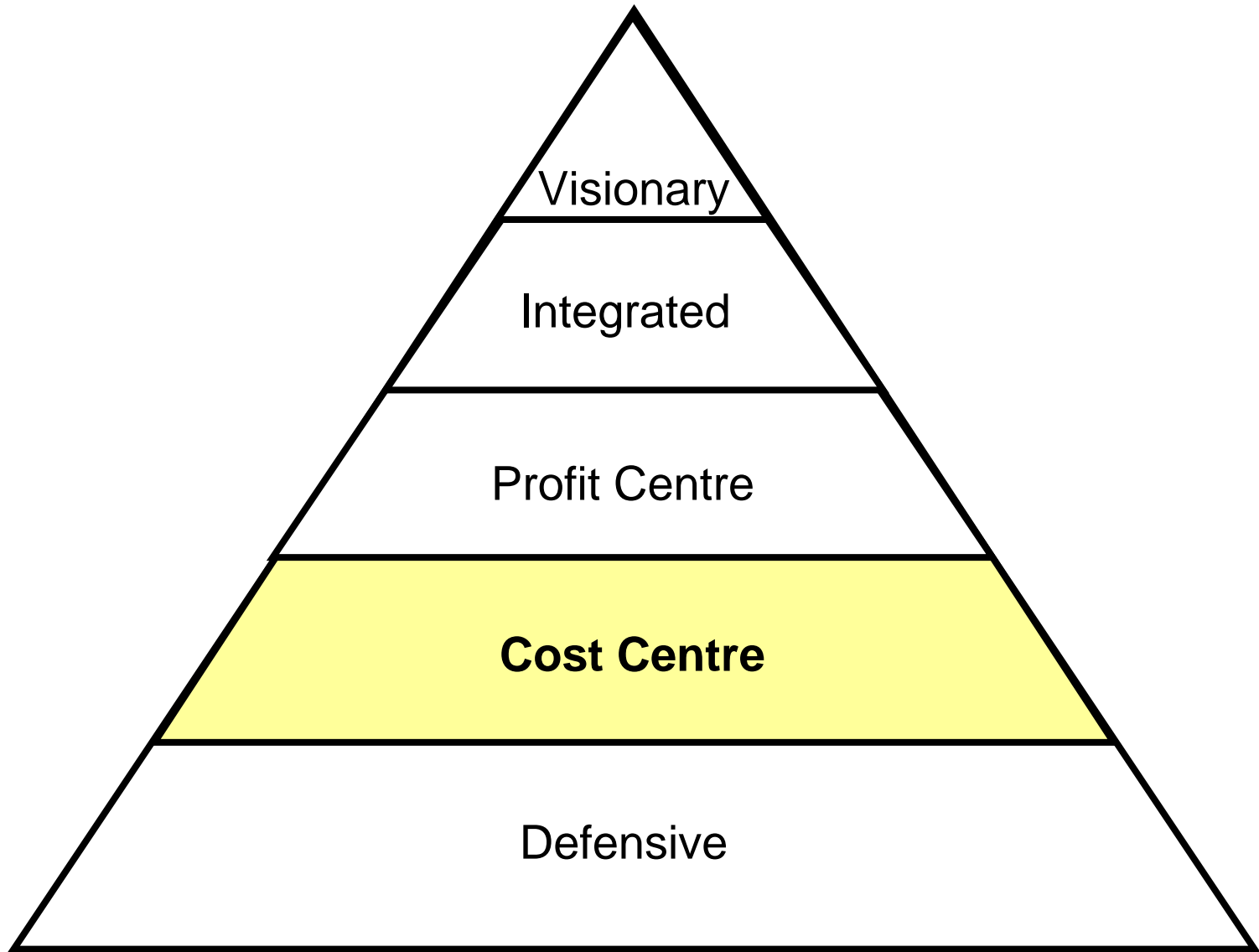


## IIPS Themes at “Defensive” level ....

- “Value” of technology based largely on Boffin’s view of its merits
- IP protection focused on “staking out territory” and then “strengthening boundaries”
- Concept of “value” transforms to respond to what target customers probably expect
- Innovation then focuses on changing product/business model to create more “deliverable benefit”

## Issues in IIPS at “Defensive” level....

- Commercial centreline of technology shift away from the original thinking
- Define new IP territory and boundaries as priority before business model commitments set in stone
- Enforceability of IP protection can become central to how business model develops and/or how it is “sold”
- “Success” often shifts to ability of business model to deliver value vs inherent value of technology per se

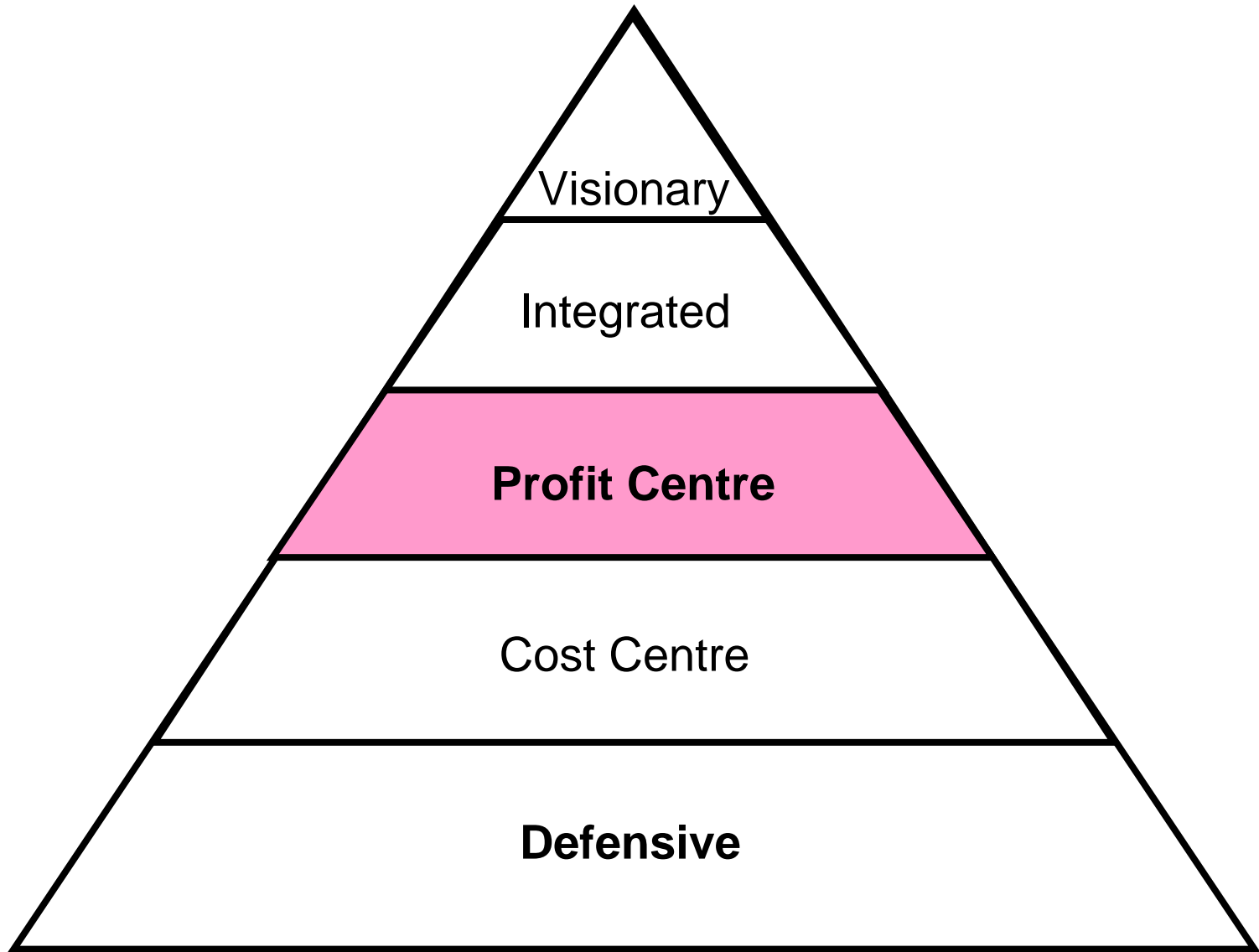


## IIPS Themes at “Cost Centre” level .....

- Scope of IP broader and IP portfolio emerges
- New techniques to analyse IP pathways and vulnerabilities
- Original IP usually no longer central and cost of maintaining IP portfolio becomes an issue
- Competitors can use infringement litigation as a competitive tool
- Key technologists often “poached”

## Issues in IIPS at “Cost Centre” level .....

- What IP central and what peripheral?
- Is IP of basic technology enshrined in or partly protected by business model?
- Competitive? Or depending too much on the sheer intellectual and technical virtue of the technology?
- How to reach for competitive advantage”?
- How well-prepared for impact of IP litigation?

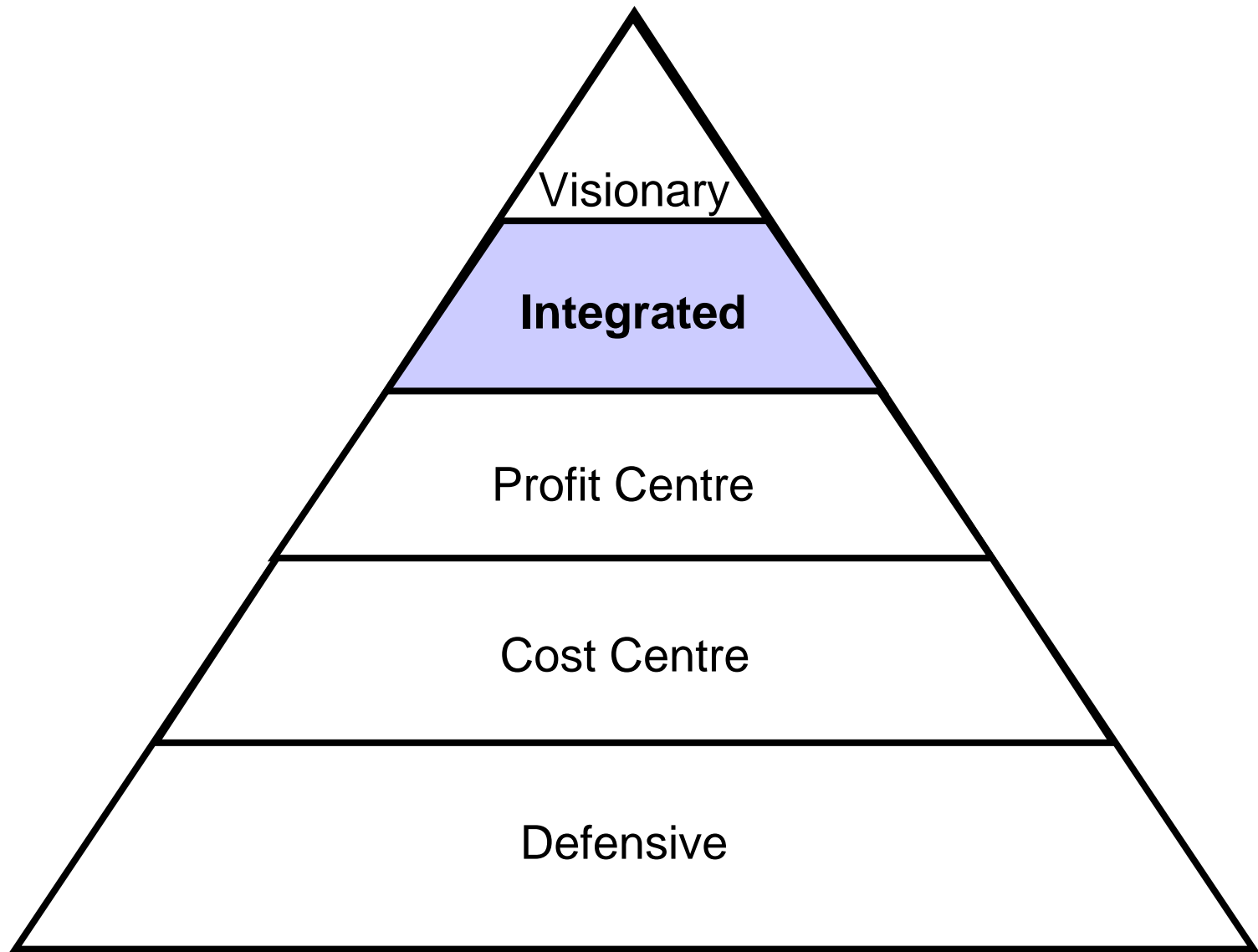


## IIPS Themes at “Profit Centre” level .....

- IP generated well beyond scope of strategic focus
- Technology-related IP can become a real business asset
- Business systems IP can also present significant potential
- IP management emerges from backrooms to become a real business activity

## Issues in IIPS at “Profit Centre” level ....

- Technology looking for a market not much of a starting point
- Universities and CSIRO have had limited success
- Technology-based investors look for ready-to-run business propositions, not investment in technology

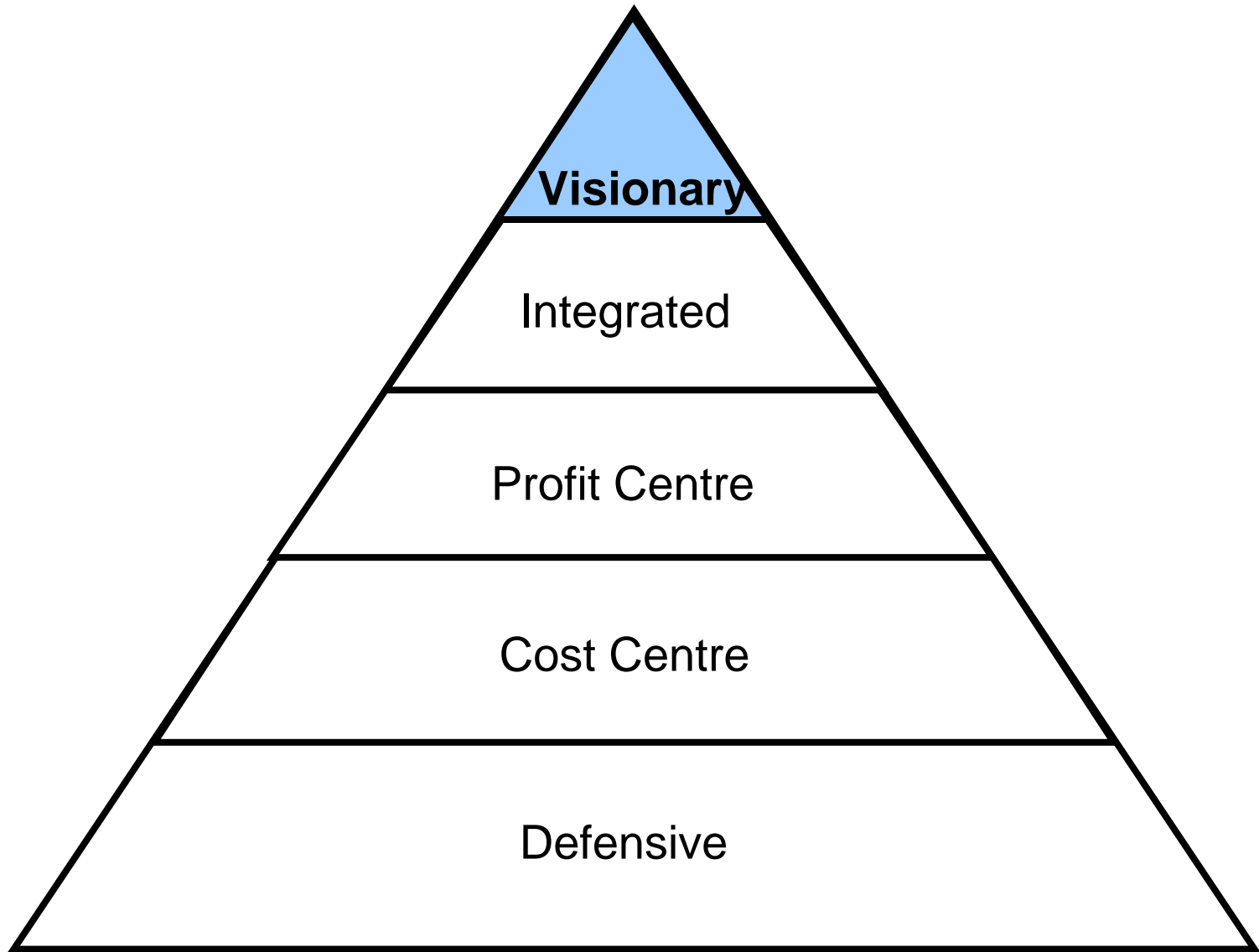


## IIPS Themes at “Integrated” level ....

- Maintaining corporate growth more difficult, competitive pressure building
- IIPS now focused more strongly on market-driven innovation
- Innovation that's required shifts technology streams and skills sets away from traditional base
- Technologists now reach out into wider world and become “technology integrators”

## Issues in IIPS at “Integrated” level....

- Changing company's core culture to become more strongly market-driven
- Acquiring skills sets to identify, acquire and apply new technologies and skills already available elsewhere
- Restructuring existing activities and resources – people, equipment, suppliers



## IIPS Themes at “Visionary” level ....

- Focus on “futures” in markets, product technology, business models and competitive framework
- Using new techniques of analysing future developments
- Reaching for “embedded competitive advantage”
- Setting challenging timeframes for rate of technology upgrade and/or time to market
- Using “IP minefields” to slow competitors down

## Issues in IIPS at “Visionary” level ....

- Shifting skills sets to a leaner, keener, smarter team
- Applying new techniques for analysing “futures” and managing inherent risks
- Setting “sustainable competitive advantage” as a primary criterion of achievement
- Devising radical new techniques for taking innovation to market in the shortest possible time

**INHERENT VALUE OF IP INCREASES**

Visionary

**INNOVATION TAKES OVER FROM IDEAS**

Integrated

**TECHNOLOGY BECOMES ENABLING MEANS**

Profit Centre

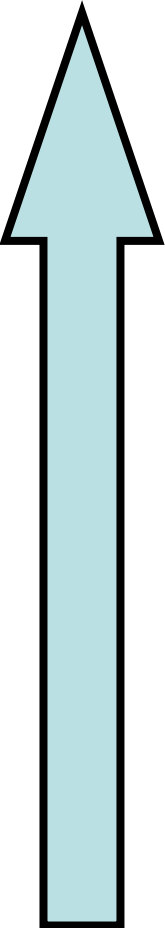
**IP VALUE MOVES AWAY FROM ORIGINAL  
TECHNOLOGY AND TECHNOLOGY PER SE**

Cost Centre

**MARKET DRIVERS TAKE OVER FROM  
TECHNOLOGY DRIVERS**

Defensive

**PROTECTION OF IP RELIES MORE HEAVILY ON  
COMPETITIVE ADVANTAGE IN MARKETPLACE**



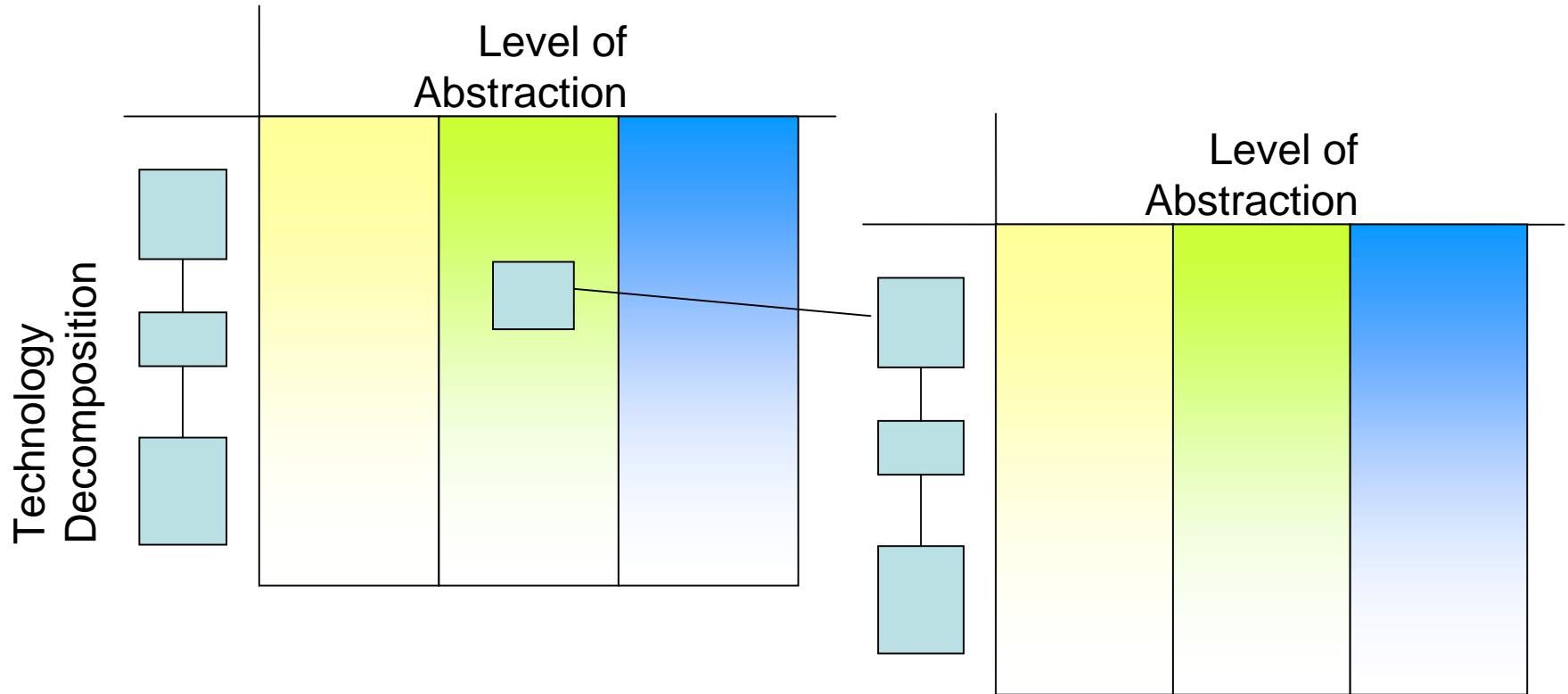
## Five fundamental truths .....

1. Successful companies own customers and markets – technology and IP just table stakes
2. Even mediocre IP can be very powerful in hands of company on market high ground, setting rules
3. Many companies with good basic technology and IP never get a chance to play at the main table
4. Being good at developing technology less important than knowing what technology will meet market needs, and how to get it
5. The most successful companies also lean, fast-footed and expert at “futures” and “technology integration”

# Theory of inventive problem-solving (TRIZ - Genrikh Altshuller et al 1946) .....

- All products, processes and technologies are technological systems
- Evolution of technological systems is not haphazard ... sooner or later it follows predictable steps
- Certain basic rules govern these steps .....

# Applying TRIZ rules ....



## Uses of TRIZ ....

- Exploring IP landscape
- General problem-solving (> nine dots)
- Strengthening your IP boundaries
- Setting up blocks (minefields) to frustrate competitors
- Developing 'work-arounds' to overcome competitors'  
IP firewall

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