

Doing Technology Deals

Suggestions for Greater Success

by

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Whether you're a technology provider with something to sell ...

or

a product manufacturer or marketer seeking something to buy and commercialize ...

a few proven fundamentals will significantly ease your technology deal-making and improve your rate of success.

This is a reminder of those fundamentals.



To keep things simple ...

- We'll call the technology provider the **seller**, e.g.
 - Inventor
 - University department or tech transfer office
 - Corporation with unused technology assets
- We'll call the manufacturer or marketer the **buyer**, e.g.
 - Corporation seeking new technology as the basis for a new product or service
 - Corporation seeking new technology to strengthen its IP position
 - Investor seeking a license to technology that can be assigned to a portfolio company



Guidance for the seller

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- By all means explain why your technology is wonderful, but really focus on why it matters
- Be realistic in targeting prospective buyers
 - Select for application/market fit
 - Try to limit your choices to entities willing to do early-stage deals
- Educate yourself on the basics of each application and associated market
 - Otherwise, how can you establish value?
- If you have not yet filed a patent application, do it
- If possible, wait until your patent issues



Guidance for the seller

2 of 3

- Once you have chosen some carefully selected prospective buyers, find the right people to receive your message
 - Do the necessary research to identify appropriate individuals
 - Do not rely exclusively on personal contacts to open the right doors
- For each potential application/market prepare a two-page brief to elicit initial interest
 - One or two sentences that attract attention in a compelling way
 - You may have only one minute of the reader's time to form an opinion
 - Describe the technology in moderate detail, focusing on why it matters
 - Define the potential market(s) in qualitative and quantitative terms
 - Do not exaggerate
 - Describe the offering, the outcome you desire, and the opportunities available to the buyer



Guidance for the seller

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- Follow up, at most twice, with prospects
 - Try to determine the reasons for apparent lack of interest
 - Feedback may point you in new directions
- Understand where your technology fits within the existing IP landscape
 - Be prepared to educate prospective buyers
- Be realistic: Recognize the value that you add within the entire range of activities and investments required for commercialization
- Be prepared to offer assistance from your expert(s) to support product development and commercialization



Guidance for the buyer

1 of 3

- If you're not prepared to do early-stage technology deals, stay out of the game
 - Respond to solicitations quickly with your reason for disinterest
- Have a corporate position on areas of interest
 - But at least be willing to consider intriguing possibilities
- Do not limit your consideration to high-profile organizations and academic centers
 - Nuggets of value can be sourced from anywhere
- If you have any interest at all, be prepared to do extensive research on the target application/market and the IP landscape
 - Due diligence with target users of a potential new product is an absolute necessity



Guidance for the buyer

2 of 3

- If your organization is a market leader, you will be bombarded with solicitations
 - Having a screening system in place to rapidly assess these opportunities, by just a handful of people, really helps to make quick decisions
- Be courteous, play nice, respond quickly
- Be tolerant of technologists, who are unlikely to be business or market experts
 - Be prepared to patiently educate them
- Engage an internal or external technology expert to help sort out advantages and limitations of the offering



Guidance for the buyer

3 of 3

- Don't demand more than you really need
 - Propose reasonable, win/win terms
 - Otherwise, you will needlessly stretch out the process or scuttle the deal
- You can expect competition for really good ideas
 - Be prepared to sweeten the deal accordingly
- Do not assume that your organization is too talented to need help in product development
 - Graciously accept any assistance that is offered
 - You don't have to take all the advice that's offered
 - Welcoming assistance goes a long way toward building a healthy relationship



In summary ...

Keep the interests of the other party firmly in mind throughout the process, and behave accordingly.

A better outcome for both parties is the likely result.



Contact information

Whether you're a buyer or a seller, we can assist and add value to your partnering initiative.



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