

# Commercialisation Consultation Report





# **COMMERCIALISATION CONSULTATION REPORT**

## **SAMPLE**

### **CONTENTS**

**BACKGROUND**

**THE PROBLEM**

**THE SOLUTION**

**THE OPPORTUNITY**

**DEVELOPMENT**

**INTERLECTUAL PROPERTY**

**BUSINESS MODEL**

**CAPITAL REQUIREMENTS**

**RECOMMENDED NEXT STEPS**

**CONCLUSION**

**MANAGED COMMERCIALISATION PROGRAM PROPOSAL**

Hi

Thank you for attending an INNOVIC consultation on Wednesday. It was good to meet and learn about your proposed [REDACTED].

### **Background**

Australia has one of the highest rates of skin cancer in the world, largely due to its high levels of ultraviolet (UV) radiation, outdoor lifestyle, and fair-skinned population. Beach-related sun damage is a significant contributor to this issue, as many Australians and tourists spend long hours at the beach, often without adequate sun protection.

### **The Problem**

[REDACTED] provide some protection from the sun, but they have several limitations:

- **Insufficient UV Protection**
- **Wind Vulnerability**
- **Limited Coverage**
- **Heat Trapping**
- **False Sense of Security**

### **The Solution**

[REDACTED] and eliminates the above five problems.

### **Development**

To date you have not completed a professional design that takes into account current consumer trends, materials, manufacturing options and production costs. By completing this early stage “Discover” process, validation and viability are attained before any larger capital investment is required.

### **Intellectual Property (IP)**

Subject to novelty and the non-existence of prior art, the design may qualify for a [patent](#) (functionality of a product or process) or a [registered design](#) (shape, pattern and appearance). The probability of acquiring patent protection or a registered design would be ascertained once the “Discover” phase is completed.

In order to qualify for patent protection an invention is required to meet the following four basic conditions:

- Being within a category of patentable subject matter
- Be at least nominally useful
- Novel (new – never published before)
- Inventive

Of course, if patent or registered design protection is not available, experience shows this is not a prerequisite for a successful product as often being first to market with clever trademarked branding is more important. Trademark applications can be filed once branding has been decided. Below is a matrix of the typical start-up IP journey.



### Business Model

Your business model or 'path to market', obviously is yet to be decided and I outlined the following five characteristic options for start-ups of which 3, 4 or 5 had the most appeal:

1. Sell the idea (IP rights required)
2. Licence the idea (IP rights required – see [“Commercialising your IP”](#) )
3. Develop the idea with a strategic or JV partner
4. Develop the idea yourself, manufacture and appoint a distributor
5. Develop the idea yourself, manufacturer, distribute and retail yourself

For your information, below is the commercialisation process we follow when advising and assisting with the development of a new idea:



## Estimated Capital Requirements

Below are the typical initial development costs I outlined at your consultation that need to be considered when budgeting and determining your capital requirements:

Service	Estimated Cost Range* Ex GST
<b>Market Research</b> As well as evaluating consumer insight and product acceptance, a survey would be structured to provide valuable information for capital raising, market segmentation (male/female/age), direction, JV partners and distributors, as well as competitors and price points;	\$4,000 - \$5,000
<b>Product Development:</b> Early-stage concept design and validation, high level specifications, estimated manufacturing set up cost (tooling) and per unit production cost for financial viability and value proposition assessment	\$2,000 – \$3,000
<b>Intellectual Property (IP):</b> Provisional patent (excluding search and PCT): \$4,000 - \$5,000 Australian trademark/s: \$330 - \$660 International trademarks and searches: TBA	\$4,330 – \$5,660
<b>Product Design (Secondary Stage/Design Refinement):</b> Detailed specifications and drawings, CAD if required, firm tooling and per unit manufacturing cost proposals, prototype build and testing for proof of concept, offshore manufacturing consultation and representation	TBA
<b>Graphic Design:</b> Name and brand design (excluding concept packaging, POS material and general marketing collateral)	\$3,000 – \$4,000
<b>Website</b> Basic scrolling information website and digital marketing material.	\$2,000 – \$3,000
<b>INNOVIC Managed Commercialisation Program – Optional (12 – 16 weeks):</b> Hands on assistance and advice, including but not limited to: design refinement and completion (early and secondary) IP options, grant eligibility assessment, SWOT analysis (if relevant), name and brand development, meeting representation and attendance, sale or licensing of idea advice, corporate structure advice and assistance with legals and general project management.	\$8,700*

\*Payable in two instalments, Stage 1: 50% (\$4,350 ex GST) at commencement and Stage 2: 50% (\$4,350 ex GST) balance at the end of six weeks following commencement or the start of brand development.

**Note (1):** There is no obligation to proceed with Stage 2 at the completion of Stage 1.

**Note (2):** As stated, these are estimated costs and may be higher or lower than shown and should only be taken as a guide

### Recommended Next Steps

1. Undertake consumer market research.
2. Complete early-stage concept generation ("Discover"), validate the idea technically and practically (proof of concept) and assess viability and value proposition
3. Review IP options and apply for relevant ownership and protection if advised available;
4. Complete secondary stage product design, CAD if required, produce specifications and costings ("Develop") and determine a minimum viable product (MVP)
5. Define the most effective business model and 'path to market'
6. Develop brand along with packaging, website and marketing collateral as required
7. Identify and contact a selection of potential parties for feedback and commercial interest in the concept ("Commercialise")

### Conclusion

I consider your proposed [REDACTED] has commercial potential, subject to an innovative design with a unique selling point (USP) that will appeal to beach goers. Of particular importance will be the proof of concept, viability and positive feedback from potential purchasers.

I hope you found your consultation informative and my report of benefit. Please find included with the covering email:

- Managed Commercialisation Program Overview.

Thank you for consulting INNOVIC and don't hesitate to call me if I can be of further assistance.

Regards,



**Richard Milne**  
CEO

# MANAGED COMMERCIALISATION PROGRAM PROPOSAL

The two phases below include the Discover, Develop, Commercialise process under which the Managed Commercialisation Program would be undertaken.

## PHASE 1 – DISCOVER/DEVELOP

- Meet with and request a design proposal from an industrial designer. Review proposal and advise
- Arrange and attend concept generation product design meetings and assist and advise during project development research, design options review, design direction selection, estimated tooling and production costs
- Review IP protection options with a patent attorney and oversee the undertaking of a global patent search if required
- Assist and advise with prototyping and testing, establish proof of concept, ascertain firm tooling and production costs
- If required, oversee and advise during additional prototyping and testing
- Research, assist and advise with 'path to market' and business model options
- Meet and request a proposal from a brand developer to design as required: name, brand, associated marketing/pitch collateral and website, review and advise on proposal acceptance.

**Note 1:** Not all the above may be required and subject to the final business model.

## PHASE 2 – DEVELOP/COMMERCIALISE

- Arrange and attend brand development meetings and assist and advise on name and brand selection, trademarks and domain names
- Arrange and attend website development meetings
- Oversee product and brand development finalisation and assist with the preparation of marketing material and presentation strategy if required
- Assist and advise on IP filing if the innovation qualifies, including trademarks and domain names
- Assist and advise on developing a product launch and marketing strategy
- Assist and advise on legals, including incorporation, shareholders agreement when required and capital requirements
- Project Management and general commercialisation advice.

**Note 2:** Depending on the direction the project takes, the Discover, Develop and Commercialise steps are not always completed in the order listed in this proposal, and in certain instances, some are not required at all.

**FEE: \$8,700 (ex GST)**

**Phase 1:** 50% (\$4,350 ex GST) at commencement

**Phase 2:** 50% (\$4,350 ex GST) balance at the end of 6 - 8 weeks following Phase 1 commencement

**Note 3:** There is no obligation to proceed with Phase 2 at the completion of Phase 1

Total estimated duration 16 – 20 weeks. See Terms & Conditions below.



## TERMS & CONDITIONS

1. While every effort will be made to secure a positive outcome from any assistance given by INNOVIC, no guarantee is implied or given. It is important to recognise that developing and introducing any new product or service involves high commercial risk and therefore careful consideration should be given before proceeding.
2. The “estimated duration” is subject to public holidays and the availability of third-party personnel and service providers and may need to be extended for reasons beyond INNOVIC’s control. Should any stage of the INNOVIC *Managed Commercialisation Program* become incompletionable within six months of commencement due to another stage not being completed, then INNOVIC is not liable to complete that stage.
3. The three phases: Discover, Develop, Commercialise are broad categories under which the *Managed Commercialisation Program* will be undertaken. However, they are not equal in time to complete as the early phase(s) generally require more intensive work. Accordingly, the fee for the *Managed Commercialisation Program* cannot be divided equally among the three phases.
4. The *Managed Commercialisation Program* as outlined in the proposal is valid for six months from the date of commencement unless otherwise agreed. The structure of the work proposed may be subject to slight modifications due to unforeseen circumstances as work progresses. Any such modification will be agreed with the client.
5. Costs relating to meeting attendance within 25 kilometres of the Melbourne metropolitan area will not be charged to the client. Reasonable travel and accommodation fees may apply for any meeting attendance required outside this area. Should this be necessary, the client will be advised beforehand, and consent will be sought.
6. INNOVIC agrees to undertake the work specified to the best of its ability. INNOVIC shall not be responsible for the success of the project and does not provide a refund in the event that the client withdraws from the agreement after commencement of the work and/or the outcomes are not to the satisfaction of the client. INNOVIC does not accept liability for any loss or damage which may result from its services or from loss or damage to anyone acting upon information provided by INNOVIC or its designated officers in the provision of the said services.  
Notwithstanding the above, INNOVIC will endeavour to carry out the work as specified using all the skills and resources at its disposal.
7. This proposal is valid for 30 days.

