

# Talking Technology

## Market assessment thinks out an idea's validity

By Steve Burns, Capital News contributor



Protecting the intellectual property of your technology company may be one of the most important investments you make.

All too many technology companies seek to obtain financing from third parties only to realize that they have not done their homework to protect the intellectual property of their company.

My approach to intellectual property (IP) is to match the IP of a company with the market opportunity that it may create.

In fact, I think that without sufficient market research into the markets for the potential applications of your new technology, I question the value of proceeding into further development of the products that your IP is based upon.

In looking at your IP, you need to decide what the core technology is that you will exploit in the marketplace.

What is the business case for bringing the innovation to market?

Are you confident that the technology that you have will be the one that is the most beneficial to exploit in the long run?

The intellectual property area can be a minefield full of traps.

Although I am by no means an intellectual property expert, I realize that behind every great technology product, there is a very smart intellectual property lawyer.

Decisions that are critical such as going for broad versus narrow IP protection could be fatal if there is a misstep.

It has been my experience that there are two fundamental questions that are often left unanswered as a young technology company meanders through the intellectual property minefield:

Are We Exploiting the Right Innovation?

When I ask this question of the young technology entrepreneur, I am often greeted with blank stares. "Well of course we are...we wouldn't be here unless we were sure." However, in many cases the support for the market for the innovation is merely anecdotal.

Technology entrepreneurs need to view their innovation as if they were making an independent investment in a separate company.

Wouldn't they want to confirm that: the company is exploiting the right innovation; the marketplace is sufficiently large to sustain profitability; Who the major competitors really are; and, what marketing and sales strategies will be required?

Focused market research can certainly be an invaluable tool in confirming that you are in fact exploiting the right innovation.

To me market research for a technology company is valuable when it allows this broad scope and when it looks very seriously at the go/no go decision.

Market research is intended to be an objective, independent assessment of the marketplace not a "make it work at any cost" project.

The entrepreneur should not only be prepared for the results, such as confirming that a very limited market exists, but also for the innovation surprises that may be around the corner.

An example of such a surprise was a company that I was working with on a market research project for a robotics innovation for those with disabilities.

This innovation allowed a disabled person to have a very flexible, speech-driven robotic arm incorporated into their workstation.

We researched the North American industry, talked with industry leaders, public and private insurance companies, competitors with similar products, robotics manufacturers, funding organizations and end users about the product.

Even though there was general acceptance of the product concept and it did have protectable intellectual property, there were many barriers to bringing the product to market.

Given the rather mediocre success of competitive products in this marketplace, the market size appeared limited.

The market research was invaluable as it allowed us to uncover the real innovation that the company is exploiting today– speech recognition for the robotics industry.

Robotics and intellectual property experts helped us to confirm that no one else in the world had been able to combine high quality speech recognition technology with small- to medium-sized robotics technology.

Through further research we were able to better narrow the market to "clean room" robots for biotechnology laboratories, university labs, etc. and develop a market approach that will allow us to tackle this very substantial market place.

Had we not performed the market research, I believe that the company would still be headed down the wrong intellectual property path.

Next week we will look more closely at the need to develop a business case that supports the go/no go decision.

Until then, ask yourself the question: Is my company exploiting the right innovation? Perhaps market research will result in you changing your decision.

Steve Burns, CA, CMC, CFP, is the president and CEO of the Burns Innovation Group Inc. If you would like your company profiled in the column, contact Steve at 763-4716 or e-mail him at:

[steve@burnsinnovation.com](mailto:steve@burnsinnovation.com)

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