

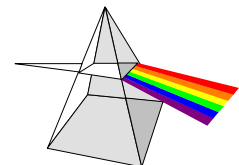
Technology Spin-Offs
MIT Forum
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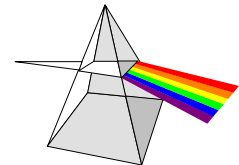
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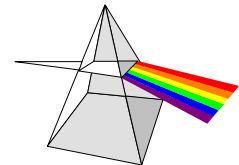
Technology Spin-Offs Sources

- Small company → large company
- Large company product line → large or small company
- University based technology → large or small company



Technology Spin-Offs Issues

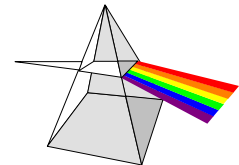
- **Market potential**
 - **Market dynamics**
 - **Customer verification**
 - **Competitive environment**
 - **Competitive companies**
 - **Competitive technologies**
- **Documentation**
- **Design for manufacturing (DFM)**
- **Cost models (low cost manufacturing potential)**
- **Intellectual property**
- **Technology transfer team**
 - **Product development**
 - **Manufacturing engineering**
 - **Manufacturing**
 - **Marketing**
 - **Financial**
- **Management team compatibility**
- **Synergy (it's not free)**



Technology Spin-Offs

Small Company Perspective

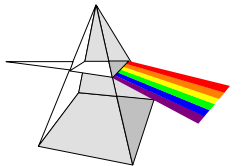
- Strong technically
- Gain strength of large company
 - Manufacturing support
 - Sales and marketing
 - Financial backing
- Will have to adapt to more formal system
 - Commercialization process
 - Human resources
- Culture clash
 - Pace of business
 - Lack of flexibility
 - Potential relocation



Technology Spin-Offs

Large Company Perspective

- Small company strong technically
- Weak documentation
 - Informal commercialization – products escape
 - No DFM skills
 - Manufacturing costs are not well understood
- Integrate large company skills into small company (rapidly but gracefully)
- Small company will have to adapt to more formal system
 - Commercialization process
 - Human resources
- Synergy potential
- Small company culture fosters technology generation and should be preserved where possible (not all large companies are so enlightened)



Technology Spin-Offs Success Elements

- Effective communications
- Integration team in place early
 - Technology
 - Manufacturing engineering
 - Manufacturing
 - Marketing
 - Finance
 - Human resources
 - Champion from large company to support integration
- Aggressive training program
- Small company flexible culture preserved where possible
- Promote and fund synergy – it just doesn't happen
- Graceful transition (Agilent Approach)

