

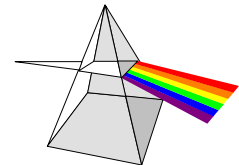
# Technology Spin-Offs MIT Forum

Dave Krohn

Light Wave Venture LLC

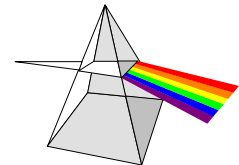
[dkrohn@lightwaveventure.com](mailto:dkrohn@lightwaveventure.com)

203-248-1475



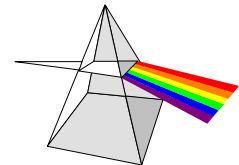
# Technology Spin-Offs Sources

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



# Technology Spin-Offs Issues

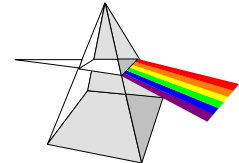
- **Market potential**
  - **Market dynamics**
  - **Customer verification**
  - **Competitive environment**
    - **Competitive companies**
    - **Competitive technologies**
- **Documentation**
- **Design for manufacturing (DFM)**
- **Cost models (low cost manufacturing potential)**
- **Intellectual 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

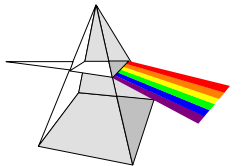
- Strong technically
- Gain strength of large company
  - Manufacturing support
  - Sales and marketing
  - Financial backing
- Will have to adapt to more formal system
  - Commercialization process
  - Human resources
- Culture clash
  - Pace of business
  - Lack of flexibility
  - Potential relocation



# 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)

