

The Impact of Global Policy Changes on New Venture Strategy

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How do we define
Innovation ?

Invention + Intention

Core Value Proposition

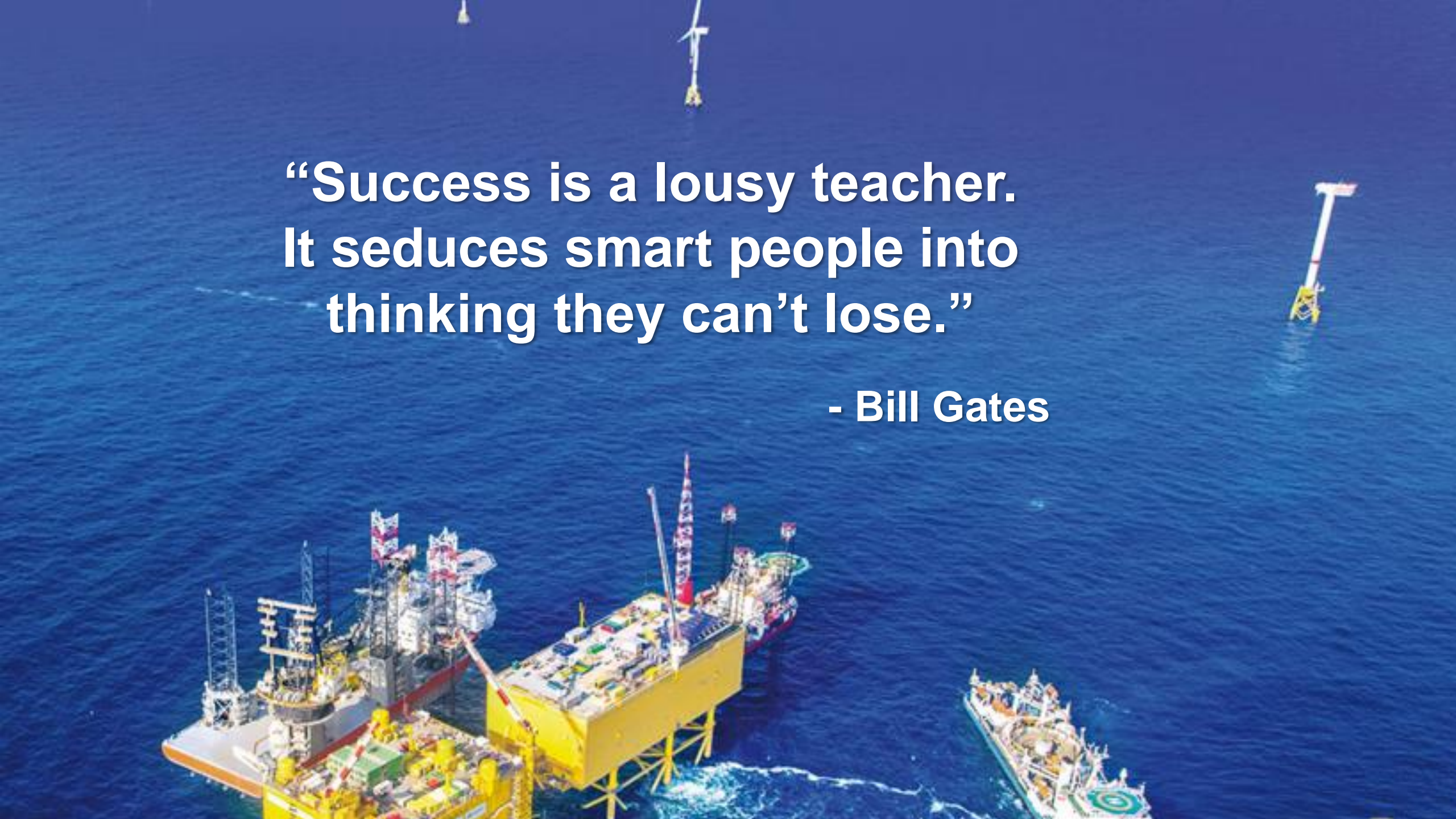
Business Application

An aerial photograph of an offshore oil rig and support vessels in the ocean. The rig is a large yellow structure with various equipment and cranes. Several support vessels are nearby, including a large white and red vessel and a smaller green and white vessel. The water is a deep blue. The text is overlaid on a dark blue rectangular background in the center of the image.

Why do we need **Innovation**?

The world is changing... fast.

Disrupt or be disrupted.

An aerial photograph of an offshore oil rig and support vessels in the ocean. The rig is a large yellow structure with various equipment and cranes. A smaller support vessel is visible to the right. The water is a deep blue color. The text is overlaid on the upper part of the image.

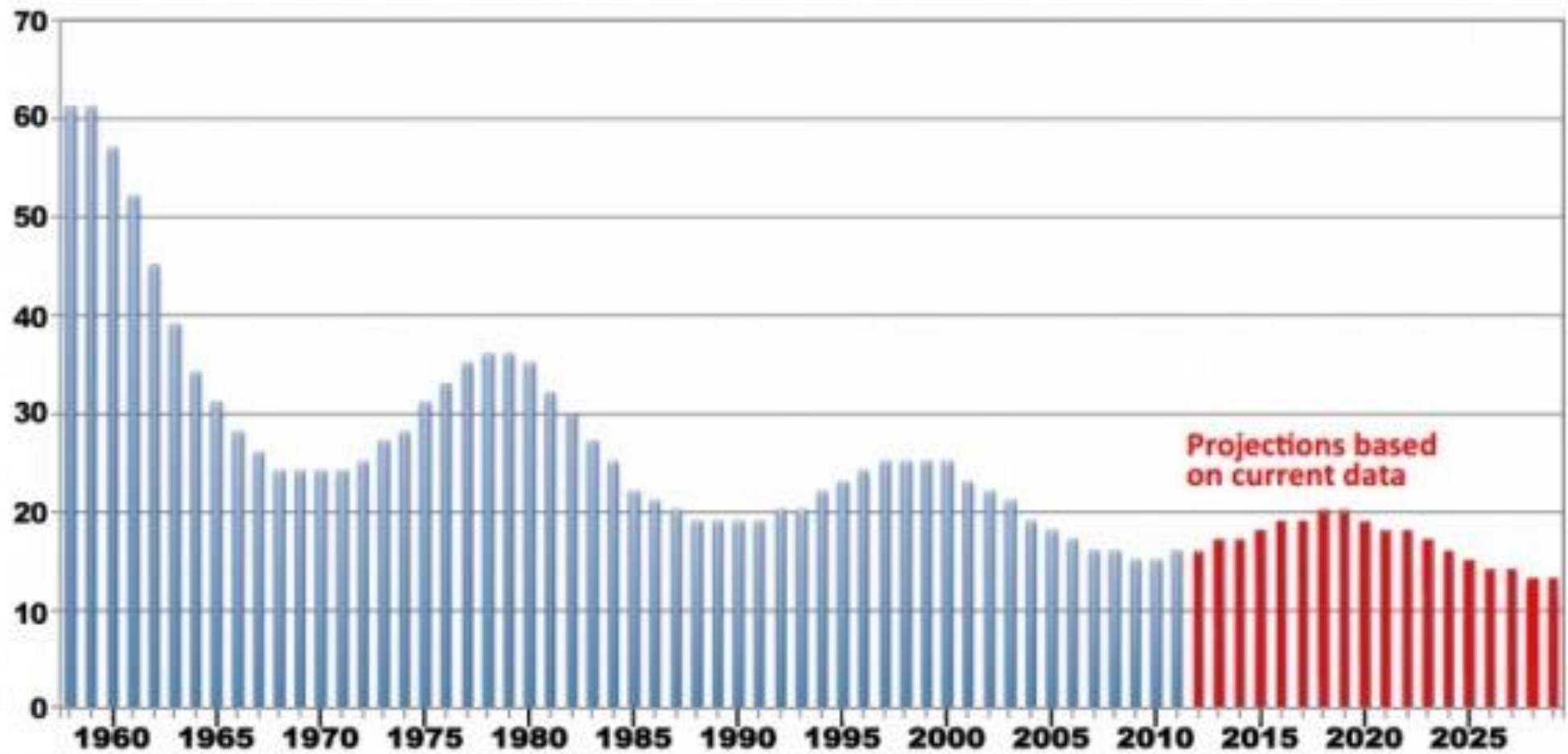
**“Success is a lousy teacher.
It seduces smart people into
thinking they can’t lose.”**

- Bill Gates

Since 2000, 52% of companies in the Fortune 500 have either gone bankrupt, been acquired or ceased to exist. (2012)

Constellation Research, "Research Summary: Sneak Peeks From Constellation's Futurist Framework And 2014 Outlook On Digital Disruption", February 2014

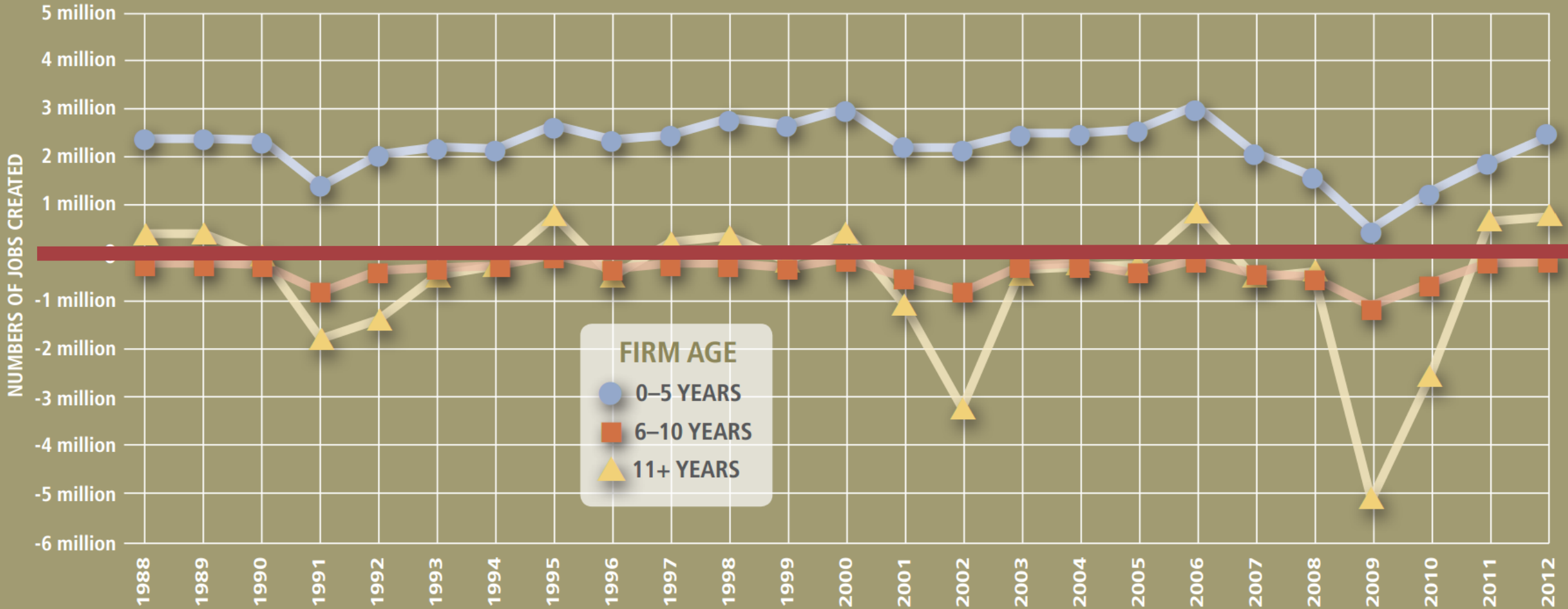
Average company lifespan on S&P 500 Index (in years)



Year (each data point represents a rolling 7-year average of average lifespan)

DATA: INNOSIGHT/Richard N. Foster/Standard & Poor's

NET JOB CREATION



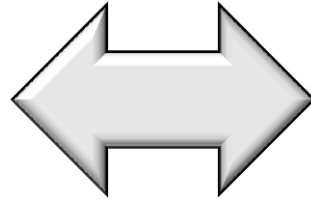
Source: U.S. Census Bureau Business Dynamics Statistics



Bluemix Garage A Startup within IBM



**Business
Objectives**

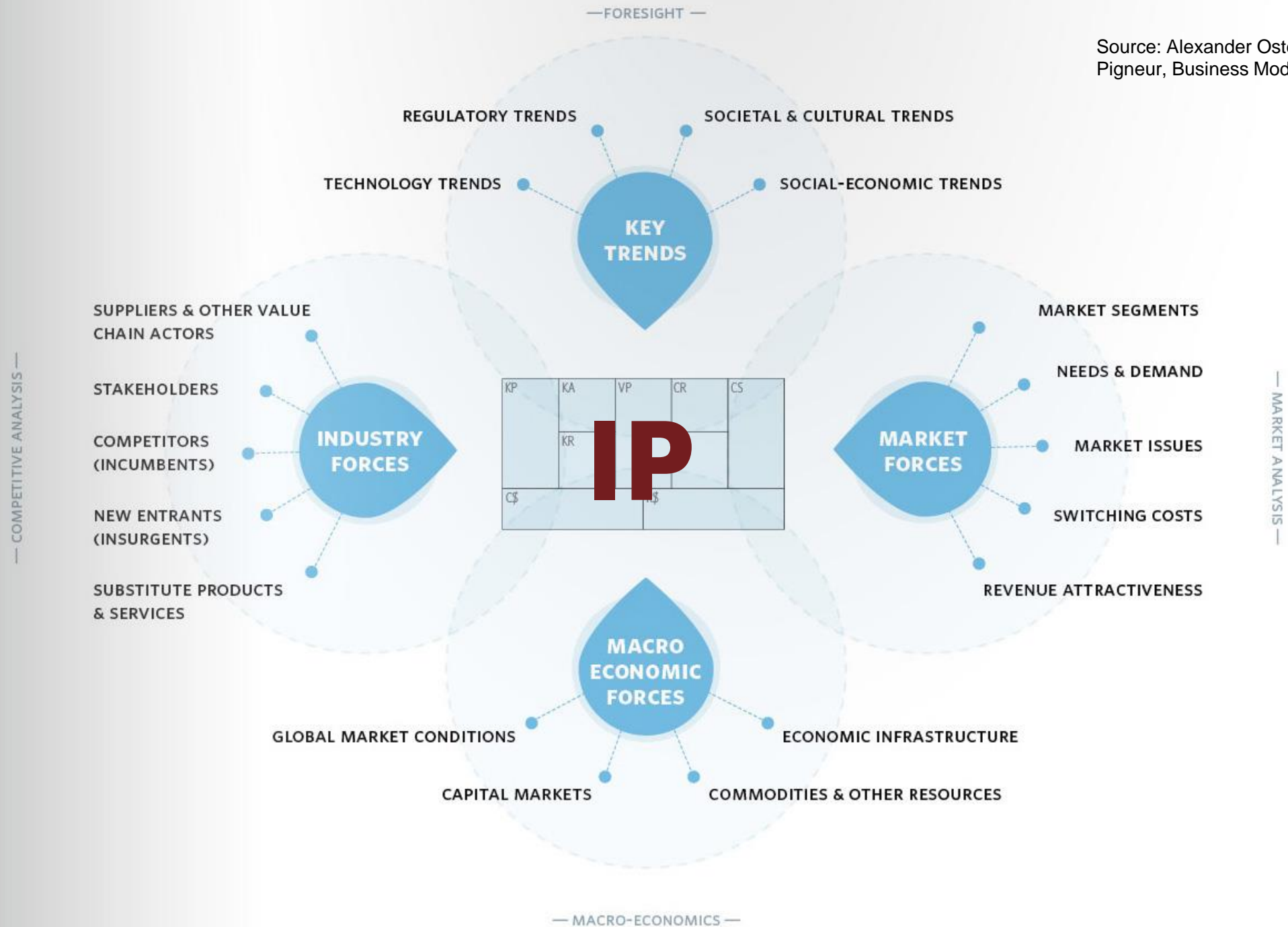


**Intellectual
Property**

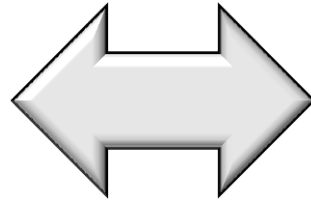
Optimize ROI

Value vs. Cost

Source: Alexander Osterwaldes & Yves Pigneur, Business Model Generation



Business Objectives



Intellectual Property

Economic Drivers

Optimize ROI
Value vs. Cost

Policy Drivers

IP Value =

$$\sum_{x=1}^n \frac{CF_x}{(1+i)^x}$$

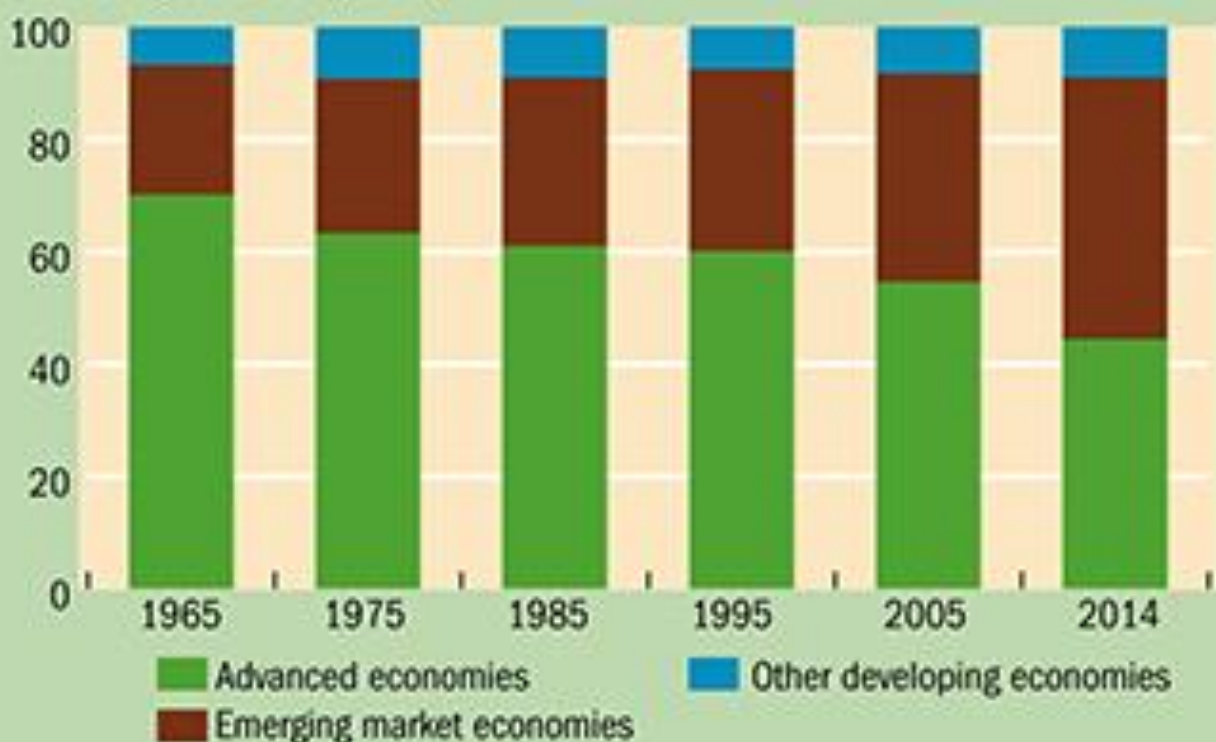
Where is the money?
Where are the customers?
Partners? Etc.

Can I leverage IP?
Can I protect IP?
Can I enforce IP?

Rise of emerging markets

Emerging market economies' share of global GDP has risen steadily since 1965.

(share of global GDP, percent)



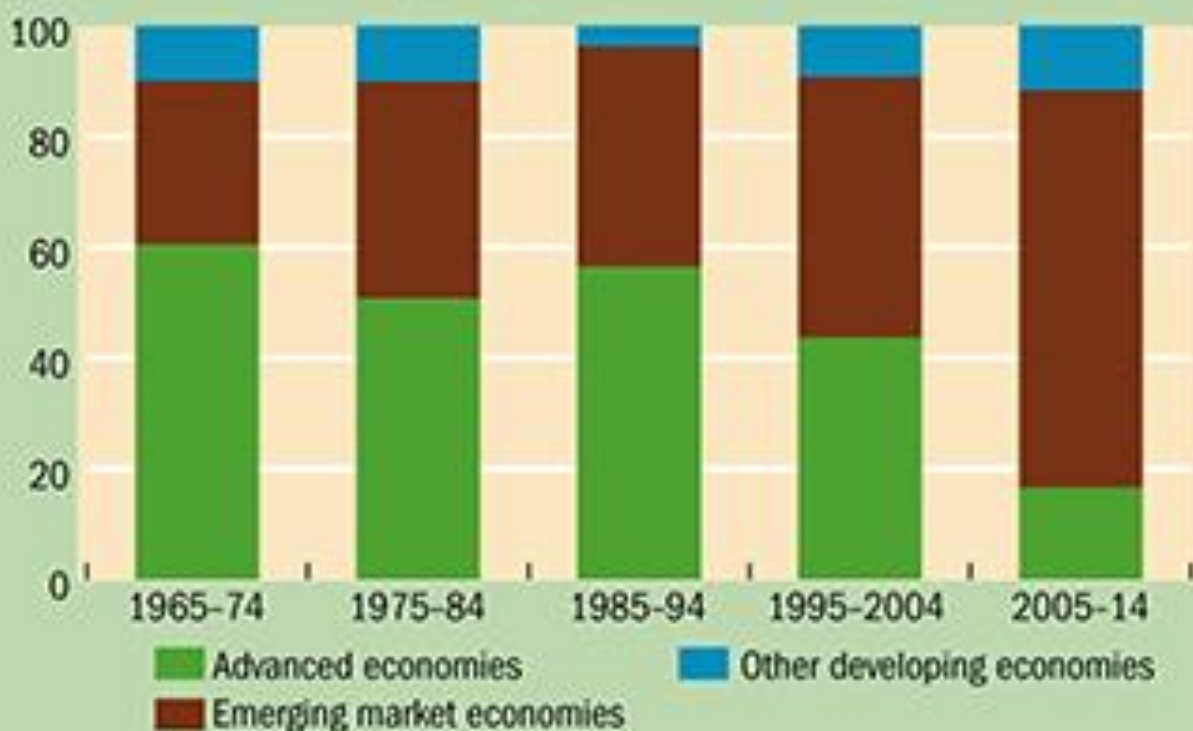
Source: IMF, World Economic Outlook database.

Note: Data are measured in purchasing power parity—the rate at which currencies would be converted if they were to buy the same quantity of goods and services in each country. Data for 2014 are forecasts.

Growing up

Emerging market economies account for a growing share of world GDP growth.

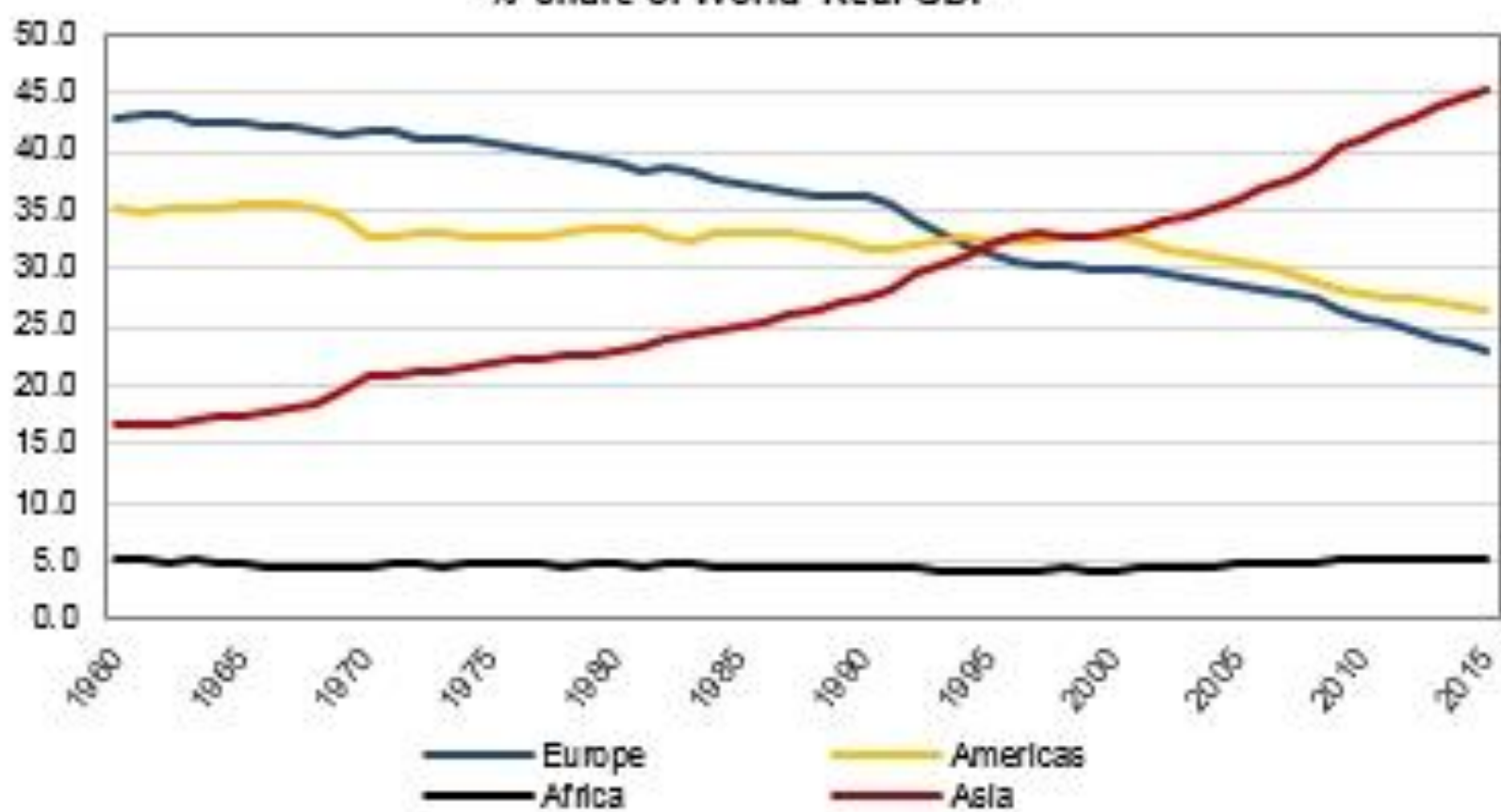
(contribution to world GDP growth, percent)



Source: IMF, World Economic Outlook database.

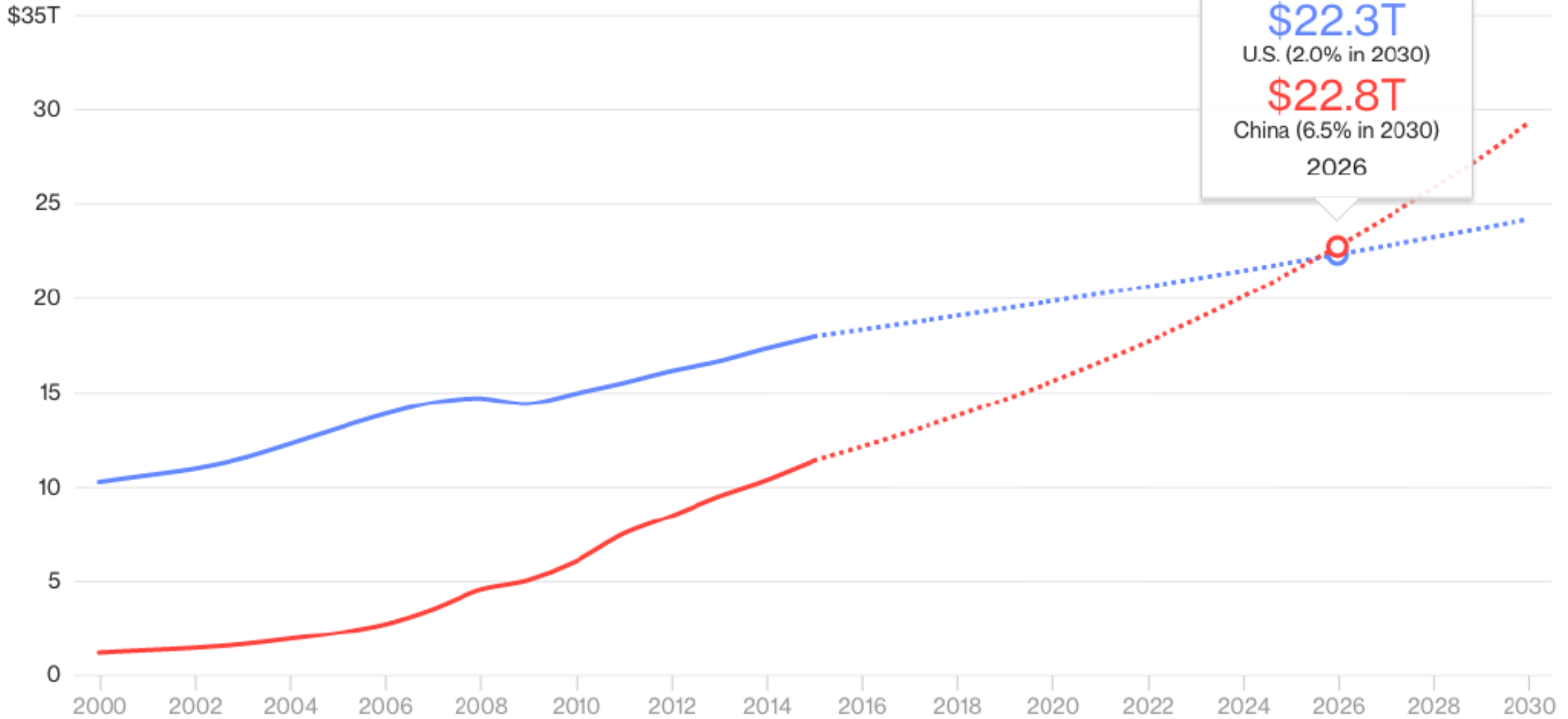
Note: The data for 2014 are forecasts.

% Share of World Real GDP



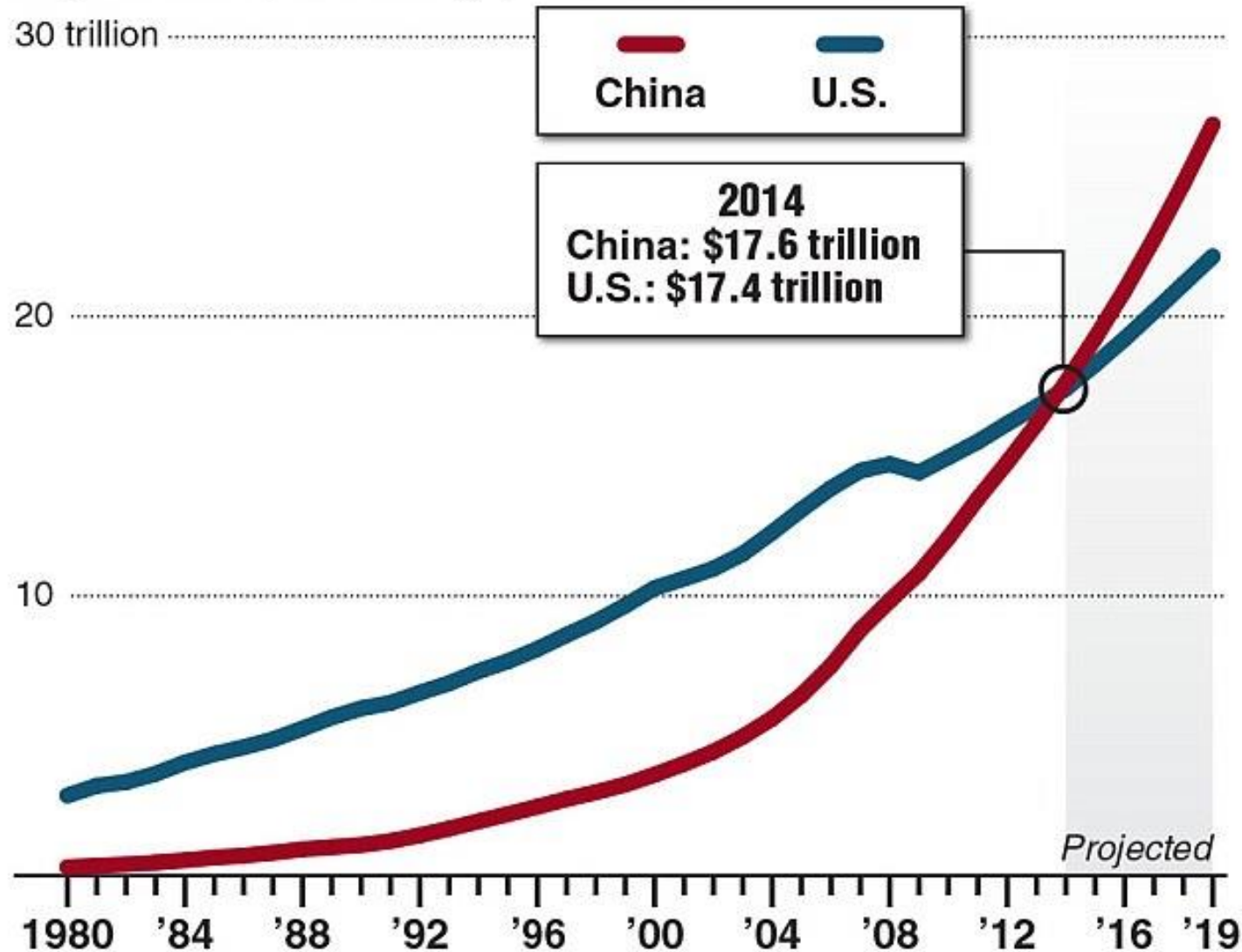
U.S. 2.0%

China 6.5%



China vs. the U.S.: GDP

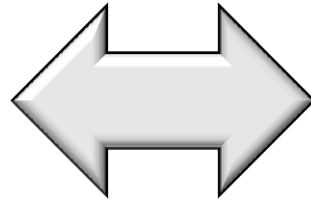
Adjusted for purchasing power of currencies



Source: International Monetary Fund
Graphic: Tyler Davis

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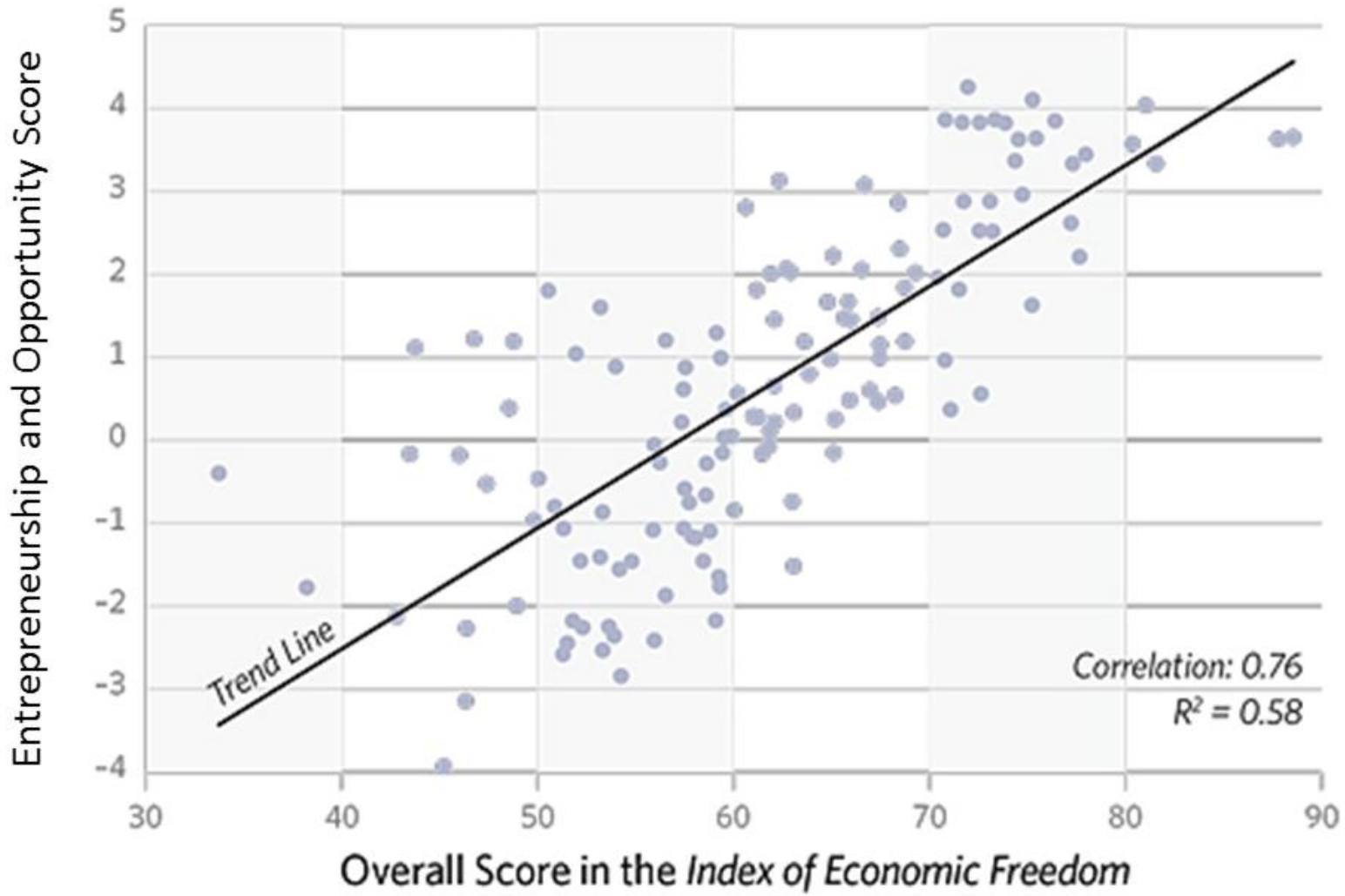
Policy Drivers

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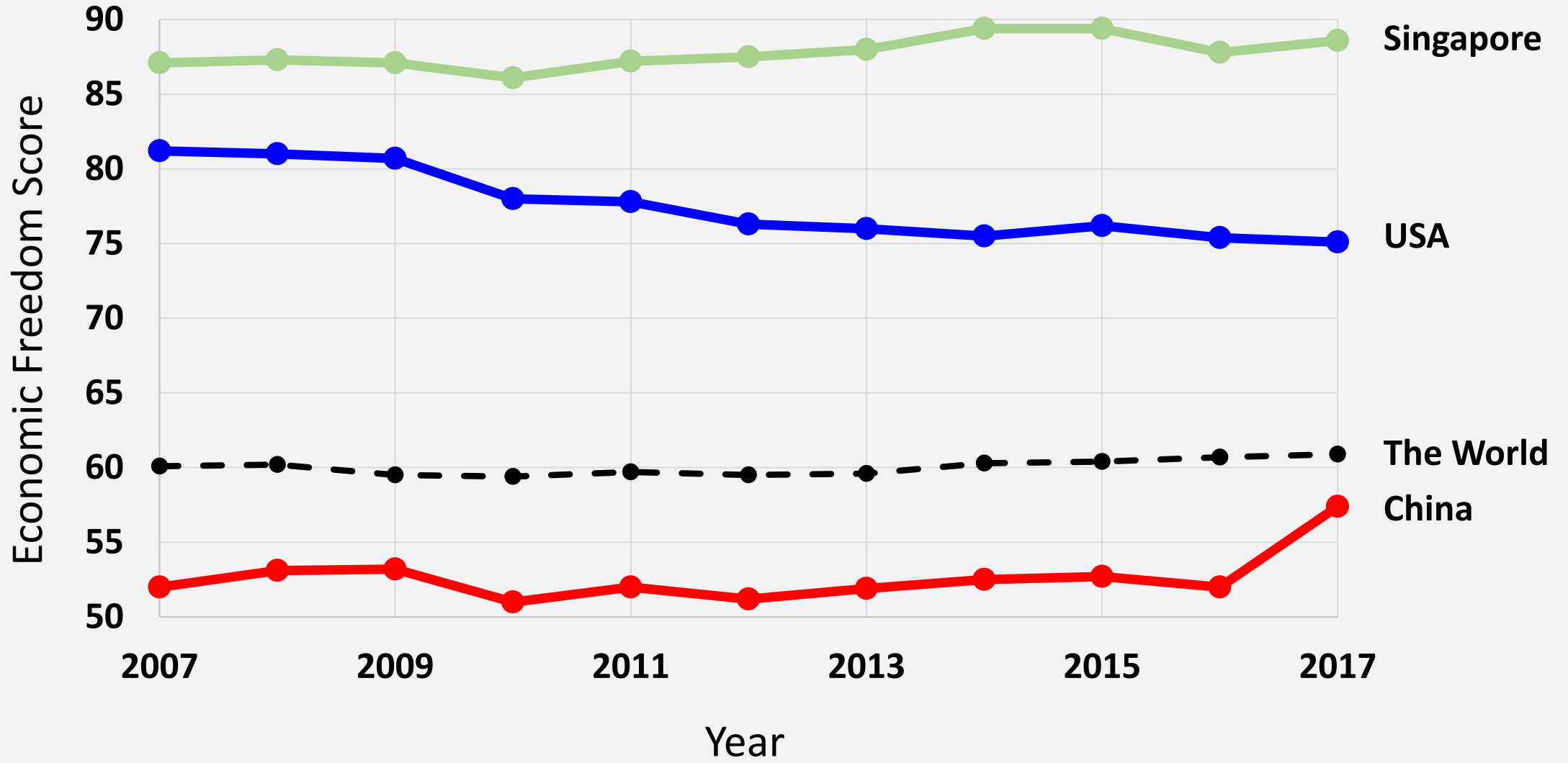
$$\sum_{x=1}^n \frac{CF_x}{(1+i)^x}$$

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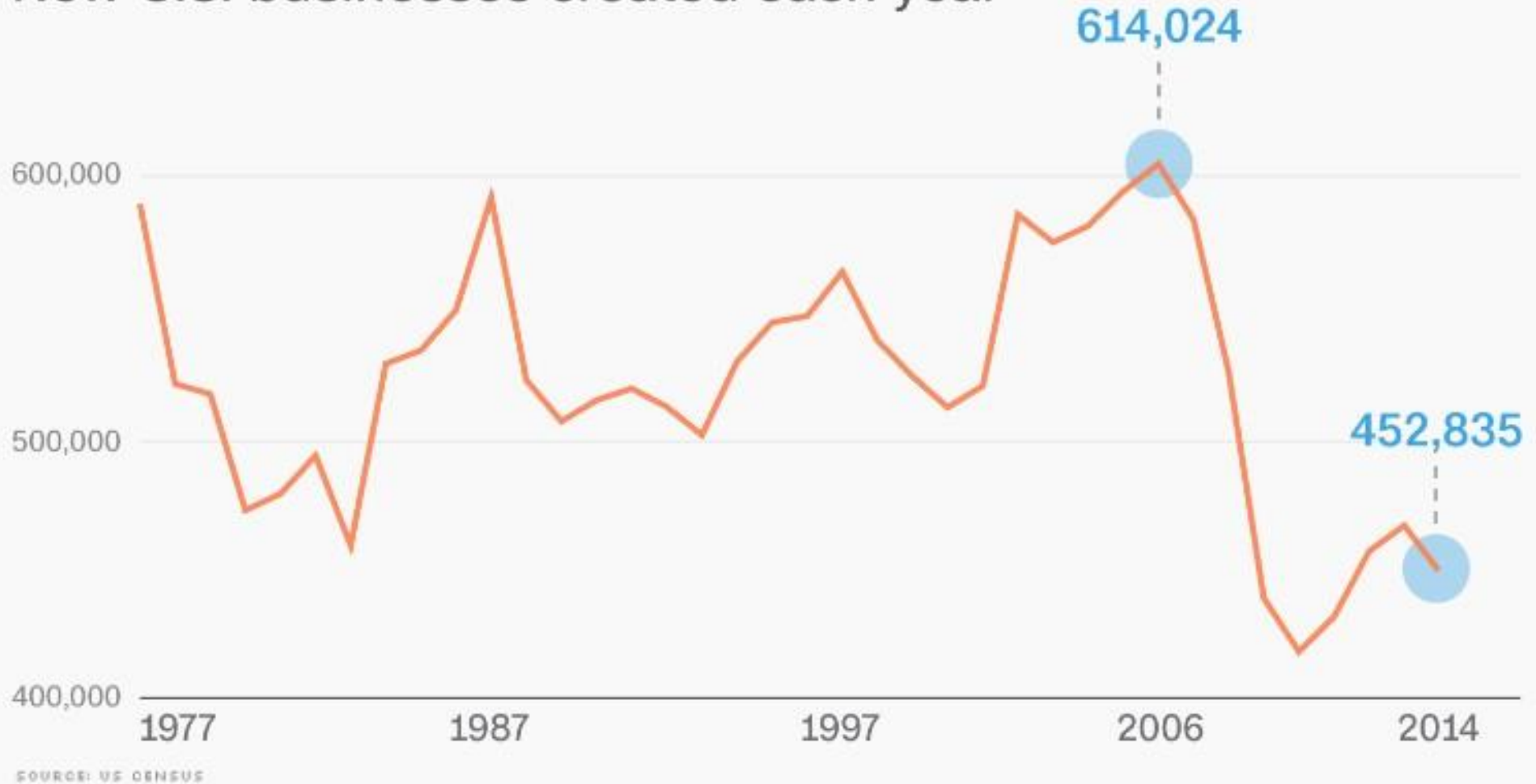


Sources: www.heritage.org, Terry Miller and Anthony B. Kim, 2016 Index of Economic Freedom (Washington, DC: The Heritage Foundation and Dow Jones & Company, Inc., 2016) and Legatum Institute Foundation, "2015 Legatum Prosperity Index", 2015 (accessed December 8, 2015)



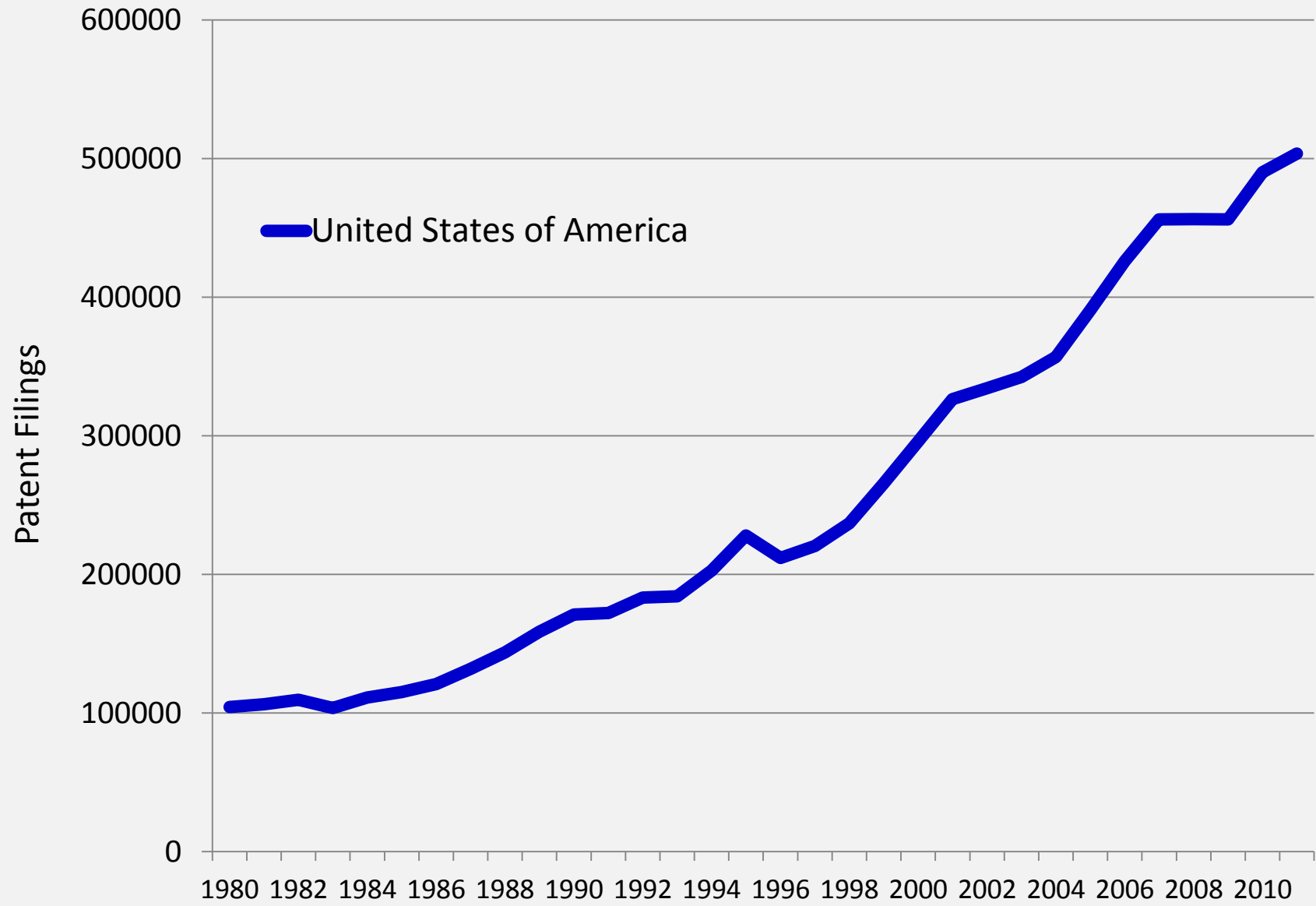
Source: The Heritage Foundation (www.heritage.org)

New U.S. businesses created each year

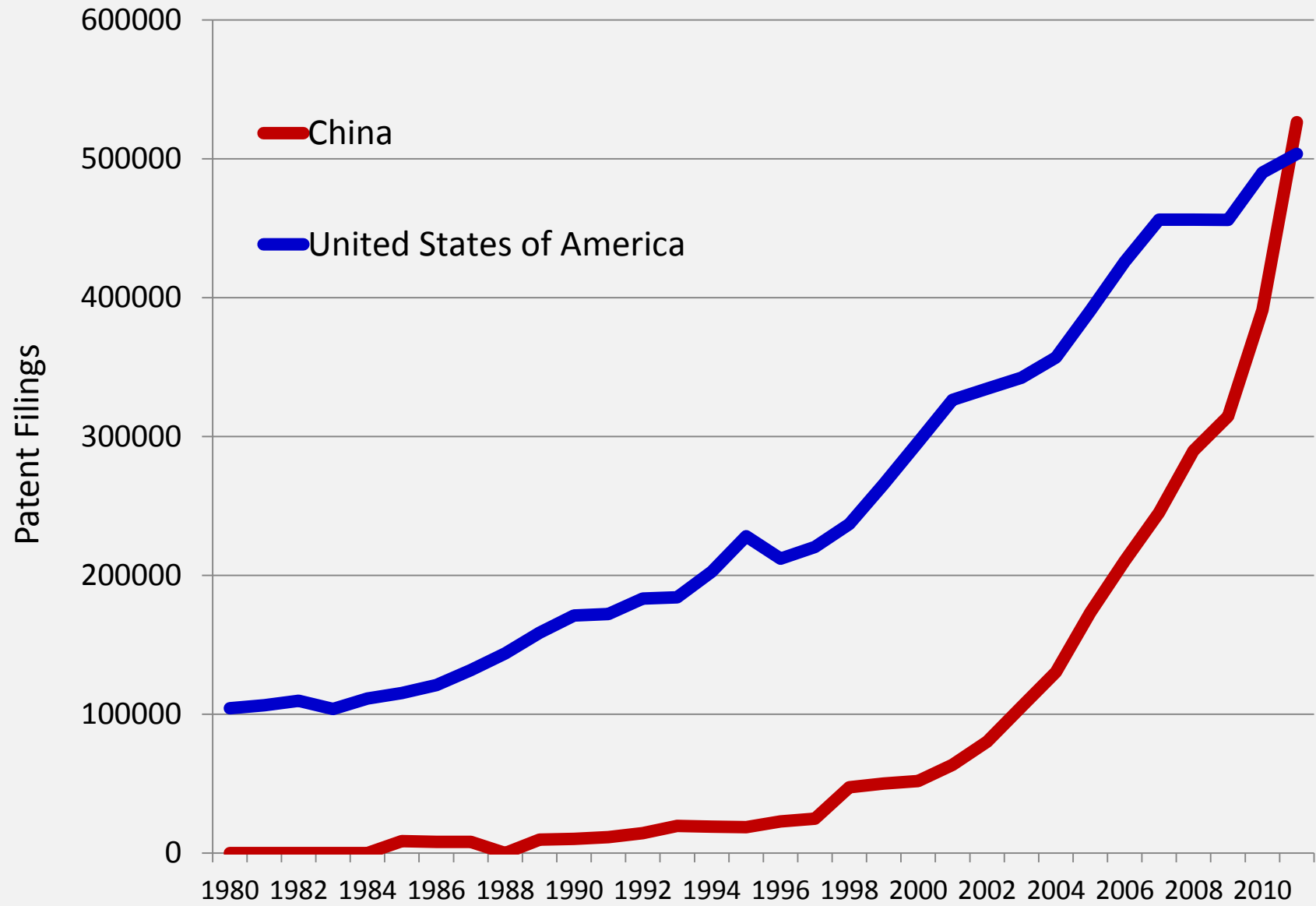


Source: CNN Money, Sept. 8, 2016

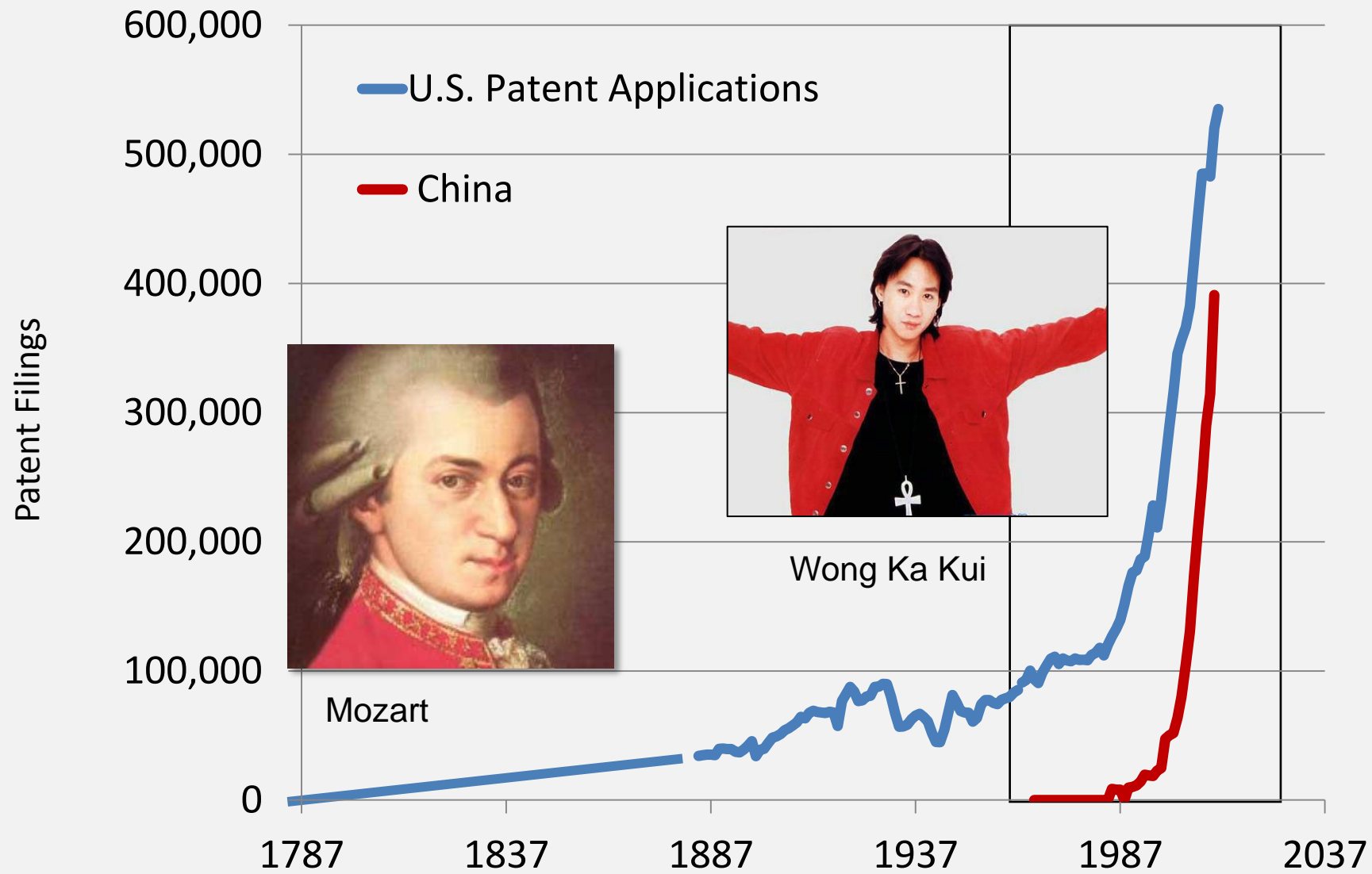




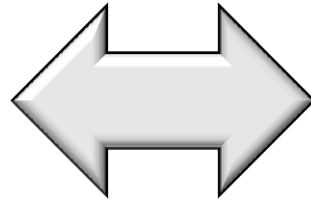
Source: WIPO



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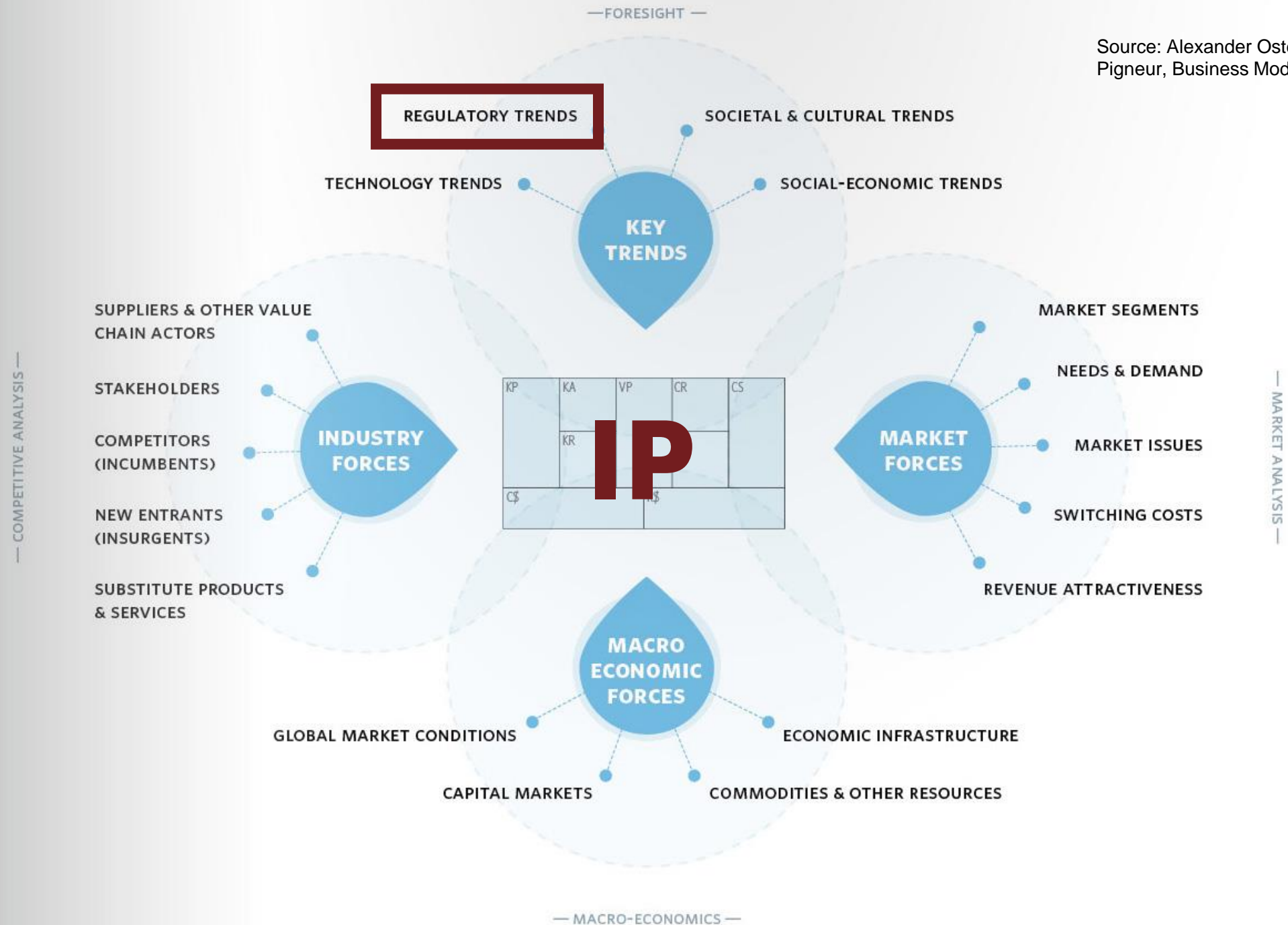
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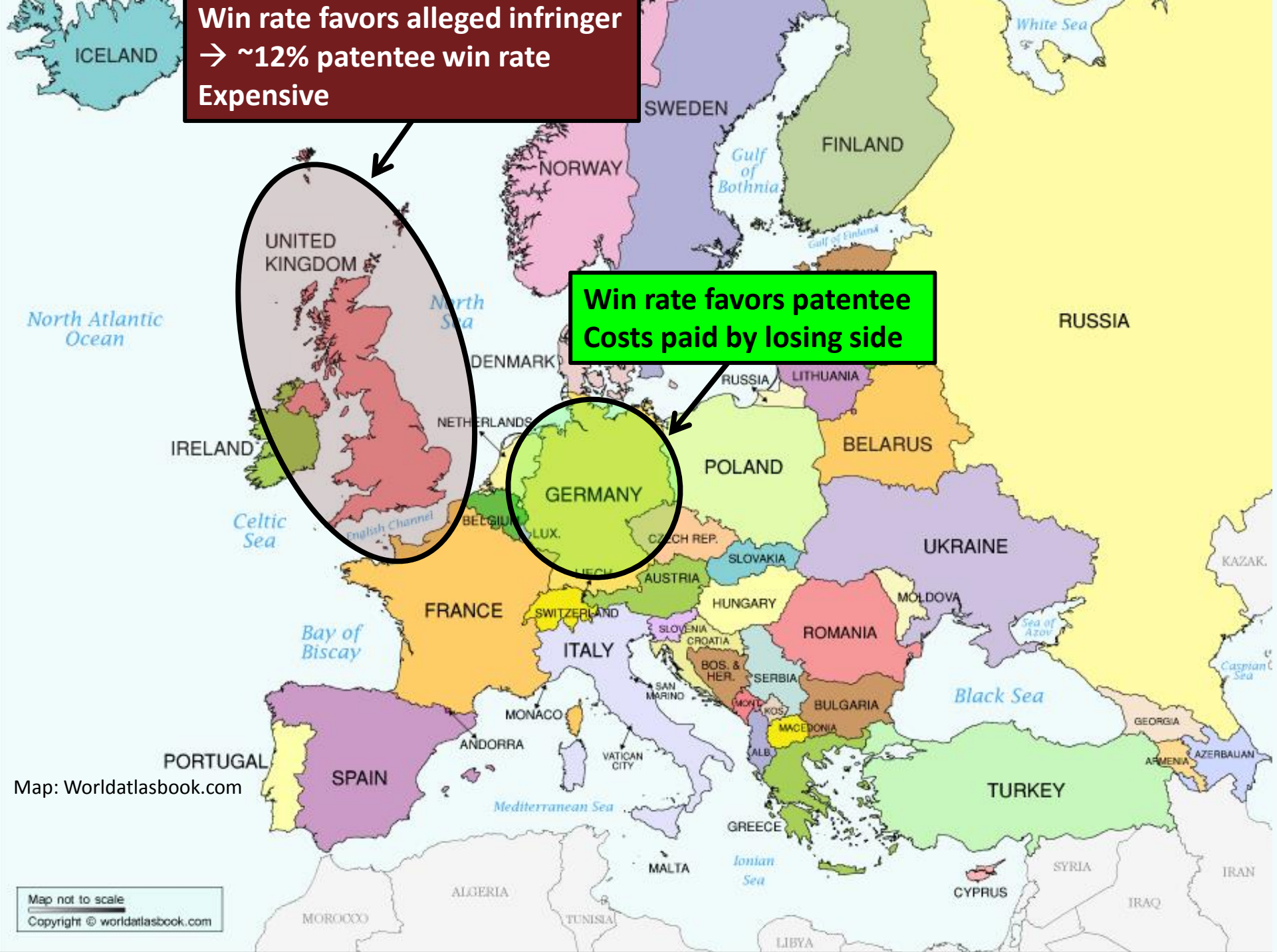
Source: Alexander Osterwaldes & Yves Pigneur, Business Model Generation



**Win rate favors alleged infringer
→ ~12% patentee win rate
Expensive**



**Win rate favors patentee
Costs paid by losing side**



Map: Worldatlasbook.com

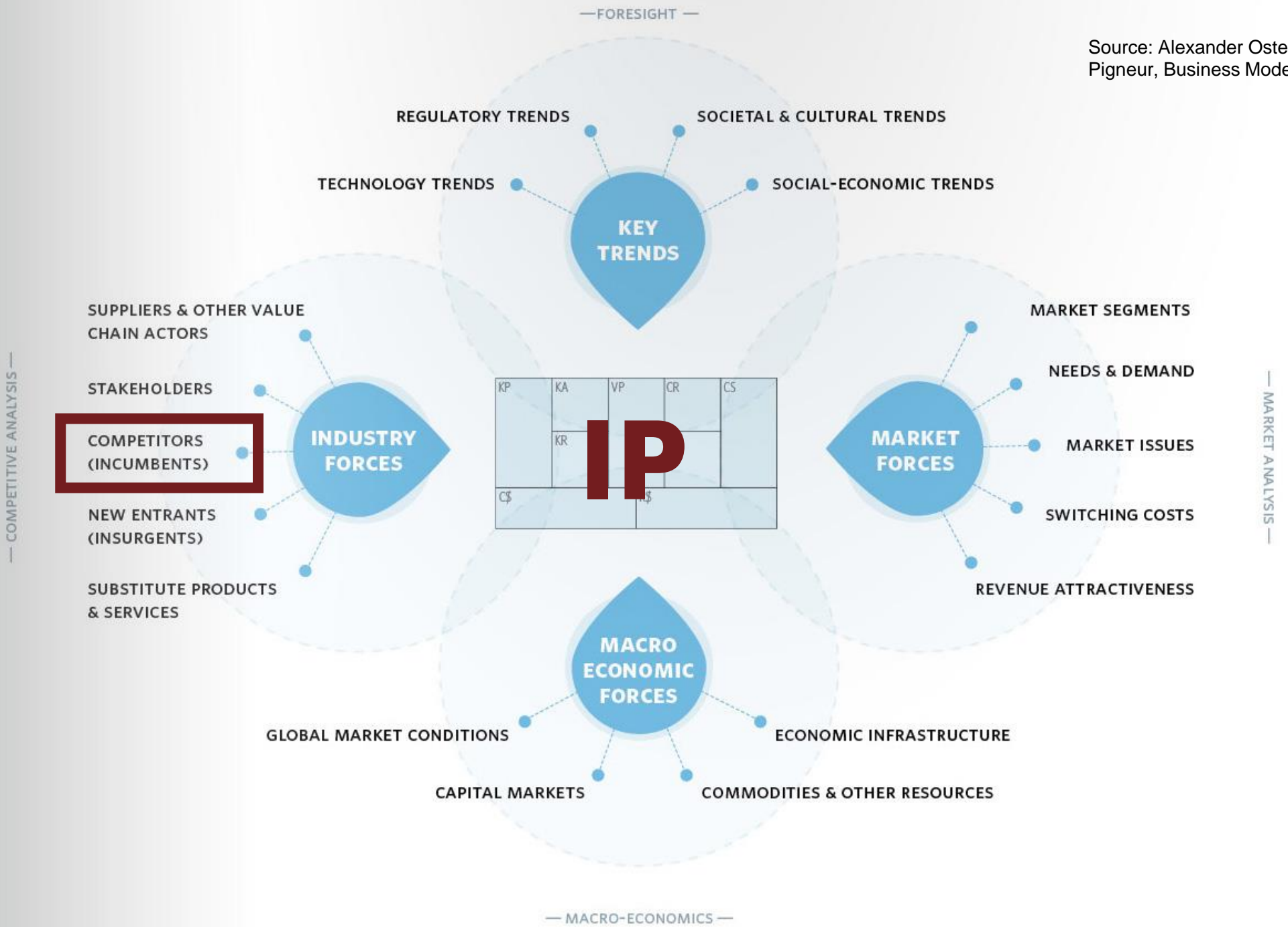
Map not to scale
Copyright © worldatlasbook.com

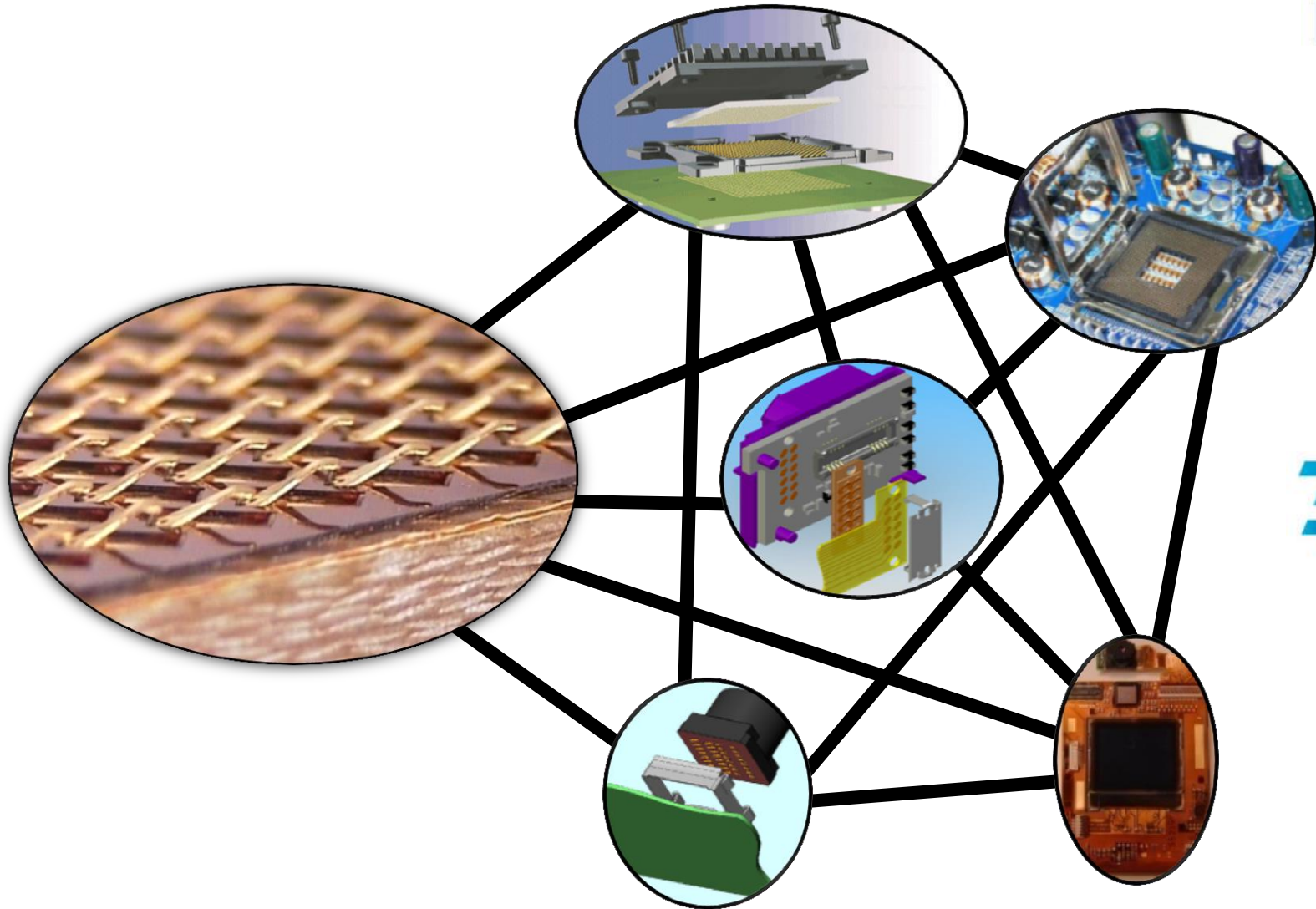
Win rates complicated
Fastest time to trial
Lowest cost
Unlikely to be stayed for validity challenge
Low damages



Win rate favors alleged infringer
→ ~23% patentee win rate
Slow time to trial (>2 years)
Expensive (>\$1M)

Source: Alexander Osterwaldes & Yves Pigneur, Business Model Generation



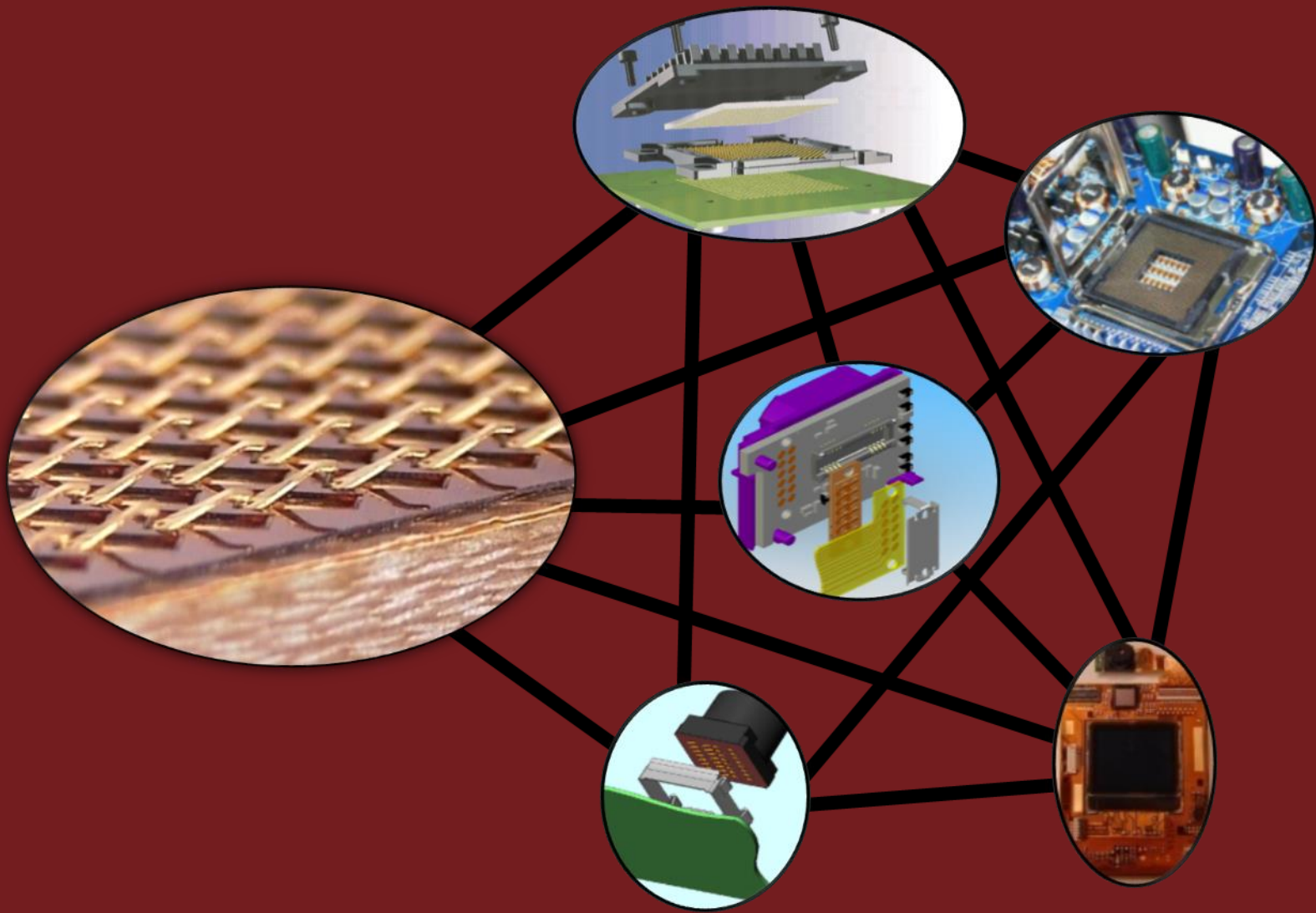


FOXCONN[®]

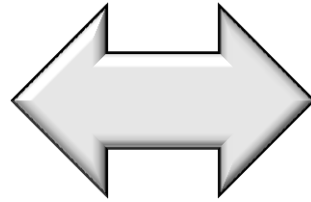
molex[®]

 **Tyco
Electronics**

samtec



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**Intellectual
Property**

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Value vs. Cost

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**Economic
Drivers**

**Policy
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