



HELSINKI UNIVERSITY OF TECHNOLOGY
SYSTEM ANALYSIS LABORATORY

Mat-2.177: Seminar on case studies in operation research

Intermediate report

IPR Valuation and Pricing

Case: Asperation

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I. Changes in Project

Due to the uncertain nature of the research problem the project has shifted somewhat towards a literature study and emphasizes more the finding of the correct input data for the valuation.

Some of the time planned to be used for this project previous to this report was redirected to be used in the final phase, because of other deadlines. Otherwise the project is still within the loose schedule of the project plan.

II. So Far

The project was divided into two different fronts, one concerning the target industry research (collecting data) and the other the concrete valuation (applying the data).

Market Research

The target industry has been studied quite intensively by the group members assigned to this task, but the availability of exact data on the concrete customer benefits, process changes, target industry lead times etc. seems to be hard to locate. Example the process changes in the target industry brought by the enhanced product are issues that cannot be figured out without experts. The more overall information of target industry's important parameters has been found from researches assigned by example European Union and VTT.

However some of the data collect by research team has proved to be contradictory to the information received from the potential buyer (company A) of the new enhanced product. Whether this contradiction is due to misunderstanding or the fact that perhaps company A has already planned the use of the product to some other application than the target industry, is a question that needs to be solved as soon as possibly. This issue will be discussed with Asperation on week 13.

Another important fact still uncertain is the lifetime of the enhanced product. This is issue also hopefully resolved on week 13.

The next steps on this front are approaching the value of the enhanced product from two perspectives: the cost of making (data from Asperation and other stakeholders) and customer perceived value (data from target industry). In an ideal situation the results of these perspectives should be quite alike, but the “real value” can be approached with the dialog of these two different perspectives.

Most recent finding, a VTT study concerning the usage of product from the same product family as the enhanced product to the target industry, is still being digested and will most certainly give more insight for the whole project.

Valuation Methods

All the methods found from the literature study have one common problem: the need of extensive and exact information of the industry and the application possibilities. Most of the methods also concentrate on mathematical calculations and numeric data and have little use in a case that is more conceptual than numeric.

However the Sonera Smarttrust case (mentioned by professor Salo during the project plan presentation) is being used as same kind of an example valuation and the rating method is being applied to this case.¹ The brainstorming of the value trees and influence diagrams amongst the research group has begun and is continued with Asperation.

¹ <http://www.sal.hut.fi/Publications/pdf-files/pgus01.pdf>

III. Risks revised

Risk	Probability (before → now)	Prevention and actions
Information exact enough is not found about the industry	medium → high	Make no assumptions, leave open parameters to the valuation, more time for the industry research, (discussing with Company A?)
Ruling out right parameters from or including wrong parameters to the valuation	low → medium	Taking everything into account at first and then systematically eliminating on co-op with Asperation
Complicated subject frustrates the research group → lack of motivation	→ medium	Active project management, more meetings, more communication
Some information is unavailable due to the confidentiality	low → low	NDA's already written → more information likely available
Time runs out	→ low	The whole group has quite loose schedules for April, active communication