

## Assignment week 4: Commercialization Strategies

### Learning objectives

After completing this assignment you are able to:

- To apply the theoretical framework linking protectability and complementary assets to commercialization strategy on your own idea
- Validate a market and customer segment(s) for your business idea
- Develop a marketing strategy to convince the customers in your segment

### Supportive learning materials (obligatory):

- Web lectures:
  - Protectability
  - Complementary assets
  - Commercialization strategies
  - Marketing and Selling new technology
- Readings:
  - Gans & Stern, 2003
  - Read et al., 2011
  - Chapters 4, 5 and 6 in the course handbook by Paul Burns

### Additional learning materials (optional):

- Short movie on the value of intellectual property rights (IPRs)
  - <https://www.youtube.com/watch?v=PAVbXGXelsY>
- On the following website you can get an idea of how much it would cost to protect your idea with patents
  - <http://www.wipo.int/pct/en/fees/index.html>
- This movie by Steve Blank presents an effectual approach on identifying customers
  - <https://www.youtube.com/watch?v=ILEebbiYIkI>
- Customer development and business model canvas
  - <https://www.youtube.com/watch?v=VGqusTa0wCw>
- Testing the assumptions in your business model
  - <https://www.youtube.com/watch?v=iUrrwxOG9uU>
  - [https://www.youtube.com/watch?v=-2gd\\_vhNYT4](https://www.youtube.com/watch?v=-2gd_vhNYT4)
  - <https://www.youtube.com/watch?v=cW46ySJmLD8>
  - <https://www.youtube.com/watch?v=U1FIRmg7j-o>

## Assignment description

During the previous weeks you learned about the importance of business models. In a first step you focused on the value proposition as a central block in the business model canvas. Last week you explored the internal side of your business idea by considering the entrepreneur and team behind the idea (i.e. key resources and key partners). This week, we turn our focus to the outside world. The central theme of week 4 are commercialization strategies or how to earn money with your idea/invention and how to convince your customers.

During the web lectures, you learned that there are two basic commercialization strategies and that the optimal choice of commercialization strategy depends on the extent to which you are able to protect your idea and the structure in the value chain. The aim of this assignment is to apply this theoretical framework to your business idea and subsequently develop a marketing strategy to target your chosen market segment. In specific, your report should provide an answer to the following questions:

- Which commercialization strategy (i.e. collaborating in the market for technology or competing in the product markets) best fits your business idea given the structure of your value chain and how you can protect your business idea? To adequately address this question, your analysis should include the following topics:
  - Protectability of idea
  - Analysis of your value chain
  - Choice regarding commercialization strategy
  - Consequences for your business model
- Once you have decided on your commercialization strategy, the next step is to decide which customer segment to target and develop a marketing plan. As explained in the movie by Steve Blank, deciding what customers to target requires the entrepreneur to talk to potential customers. The pains and gains you have identified in week 2 might be your perception of the reality (i.e. an assumption that needs to be validated), but the customer's reality can be completely different.
  - The objective for this part of the assignment is to carry out an experiment (as explained in [Hypothesis Testing – How to build a start-up](#) by Steve Blank) to test two core assumptions of your business model and to analyze and integrate your findings in a next iteration of your business model. In designing your experiment it is important that you think of one that is feasible given the resources and time you have at hand.
- Finally develop a marketing strategy to convince the customers in your targeted customer segment(s) taking into account the resources and network you have:
  - List the ways that you will create awareness of your product / technology both directly with end-use customers and distributors.
  - List the ways that you will encourage customers to make a trial purchase.
  - List the ways you will encourage repeat purchases from existing customers (if applicable).
  - List the things that you will do to ensure customers will make a positive evaluation of your service/product delivery and how you will monitor this.
  - List the things you will do to build and use a close customer relationship.

## **Deliverables related to this assignment: Deadline is 18<sup>th</sup> of December 2015**

- Team-related deliverables:
  - A report providing an overview of
    - Your commercialization strategy
    - The experiment and its associated outcomes
    - Your marketing strategy
  - Third iteration of slide deck on business model
    - Overview of previous business model (after assignment week 3)
    - Overview of new business model (after this assignment)
    - Did you change your business model based on the insights gained during this assignment? If so, what and why did you change?
- Individual deliverable:
  - Reflection report
    - What went well during this assignment? And what was your role in it?
    - What were the difficulties in the team and your individual behavior?
    - What parts of this assignment did you feel most and least comfortable with and why?
    - What is your preferred strategy towards conducting market research? Why?
    - What did you learn about yourself during the execution of this assignment?
    - What are learning points for next assignments? What did you learn during this assignment that could affect your behavior in a professional setting (either as an entrepreneur or employee of a company)?