



## How we helped our client evaluate market value of a technology and assess commercialization options

### Issue

A team of scientists in Latin America has developed a ground breaking technology in solar cells application. The new technology enables superior efficiency levels and reduces the cost of operation to unprecedented low levels. However, this technology was residing in the lab and the client was unsure about the commercialization roadmap.

### Approach

We involved domain specialists and collaborated with Associate Partner Consultants to work on this engagement. Primary interviews were conducted with the client to better understand the technology; detailed secondary research carried out and talks with experts were held to comprehend the market and industry dynamics. A Non-Disclosure Agreement (NDA) containing strict confidentiality clauses was entered into by all the stakeholders involved, to protect the client's Intellectual Property (IP)

### Methodology

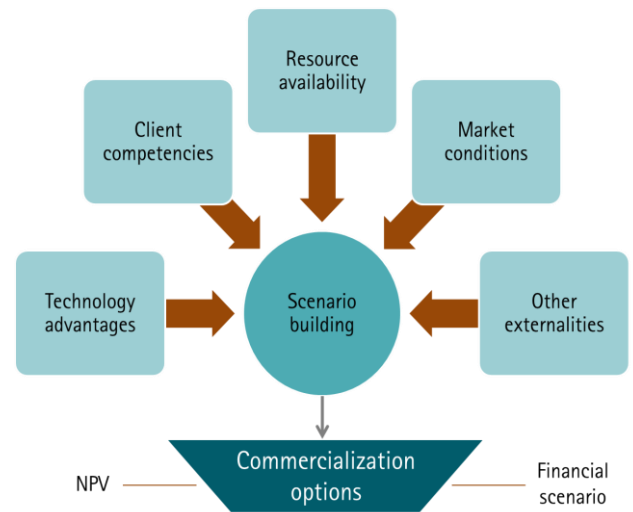
- Defined a problem statement pinpointing the root issue - roadmap to commercialize the product
- Conducted analysis of the existing technologies including Photovoltaic (PV) and developments in the alternative energy market elsewhere in the world
- Drew a solar technologies landscape and computed a Relative Cost Benefit Index of these technologies
- Researched on the global solar market and projected annual demand for next ten years in three different scenarios - Pessimistic, Median and Optimistic
- Based on the differentiating factor, relative benefit and other externalities, estimated the uptake and adoption rate of client technologies
- Synthesizing the technology landscape, market scenario and other research inputs, forecasted the Global Average Selling Price (ASP) and cost of various solar technologies
- Brainstormed several commercializing options and assessed them considering client's competencies, strengths, resource availability and market externalities - resulting in 'Out-licensing the technology' option as most suitable
- Measured the incremental financial scenario for potential license buyers

- Determined the Global Net Present Value (NPV) of the client technology and developed a financial model to calculate the indicative license fees under various scenarios
- Assessed the risk, barriers to entry and economic benefits of the solution

## Solution & Benefits

On the completion of the engagement, we advised the client on the most suitable commercialization strategy: to out-license the technology to solar cells manufacturers and/ or assembly line manufacturers. Delivered a comprehensive spreadsheet based automated tool with sensitivity analysis to change inputs and build multiple case scenarios. The output of this tool - NPV of the technology and indicative licensing fees, along with several insights generated, served as guidance to the client for deal-making and negotiations. Delivered a presentation to the client with the purpose of taking it up in front of potential license buyers.

The client was delighted with the quality of the deliverables and the manner in which the engagement was professionally handled. This also resulted in repeat business - another consulting case from the client



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