



# BIZguides

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## Growing a business

### Commercialising your innovation

There are a number of things you need to do before your great idea for a new product is ready to be produced and sold. We've broken the process to commercialising your innovation into three easy steps which will help you identify where you are at, where you want to be and determine how you will get there.

#### Step 1: Where are you now?

The starting point in commercialising your innovation is to determine at what stage you are in the process.

Have you developed a product or service that is ready for commercialisation; or are you faced with resolving technical issues or problems in developing your idea into a workable prototype?

It is important to understand at what stage your project is and the activities you have undertaken to get you there.

Having this understanding will provide the springboard to help you to identify the strengths, weaknesses, opportunities and threats that you will face on your journey to commercialisation.

Answer the following questions to help determine where you are at:

- Describe your idea in one sentence.
- What have you done to progress your idea so far?
- What money and other resources have you committed?
- What is new or innovative (not existing before) about your idea?
- What existing products or services does it replace?
- Have you conducted patent, literature or other searches?

- What problem does it solve for potential customers?
- Describe the type of person who would buy your product or service.
- Why would someone buy your product or service rather than solve the problem another way?

#### Step 2: Where do you want to be?

The next stage in your journey to commercialisation is to work out your destination, and to think about some of the hurdles or barriers that you may face along the way.

You should think about the outcome you are aiming to achieve. Do you need to solve technical problems; or is there some performance criteria that you need to achieve; or particular regulations or standards that need to be met?

The answers to questions such as these will help you to identify what has to be done. Knowing your destination (the outcome you are hoping to achieve) is vital to mapping out your journey and determining the milestones along the way that will guide you toward your destination.

Answer the following questions to help determine where you want to be:

- **What are you seeking to achieve with the development and commercialisation of your idea?**
- **What technical problems do you need to solve?**
  - Is there a cost criterion you need to meet?
  - Performance and efficiency criteria?
  - Specific standards you need to meet?
- **What will prevent you from developing your idea?**
  - Ability to solve technical issues
  - Availability of resources
  - Changing regulations and standards



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- Changes in technology
- Changes in market conditions and competition
- Market entry barriers
- Changes in economic conditions
- Availability of funding

## Step 3: How will you get there?

In developing your plan to commercialise your innovation you should consider how you will go about solving technical problems; whether or not you can fund the work that needs to be done; whether you have the skills and experience to undertake the project; and how you will go about selling the product or service that you plan to develop.

Answer the following questions to help determine how you will get there:

- **What activities do you need to undertake?**
  - to solve technical issues; and
  - to commercialise the idea.
- **What skills do you need to develop and commercialise the idea?**
  - are the skills available internally
  - do you need to buy the skills in
  - can you partner with someone who has the skills
- **What equipment and facilities do you need?**
- **What are the costs involved in developing and commercialising your idea?**

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- **How will you minimise the risk?**
- **How will you protect your intellectual property?**
- **How will you pay for the development of your idea?**
  - How will you pay for the protection of your idea?
  - How will you pay for the commercialisation of your idea?
  - Have you approached potential partners or financiers?
- **Where is the location of the market?**
- **What is the size of the market?**
  - Is it growing?
  - How will you meet demand?
- **Who are your competitors?**
  - Similar or existing technologies
  - Alternatives in the market
- **What will give you the edge over your competitors?**
- **How will you deliver to the market?**
  - Distribution networks
  - Licensing and/or manufacturing agreements
  - Manufacture in-house
  - Sell direct to customers
  - Sell the idea