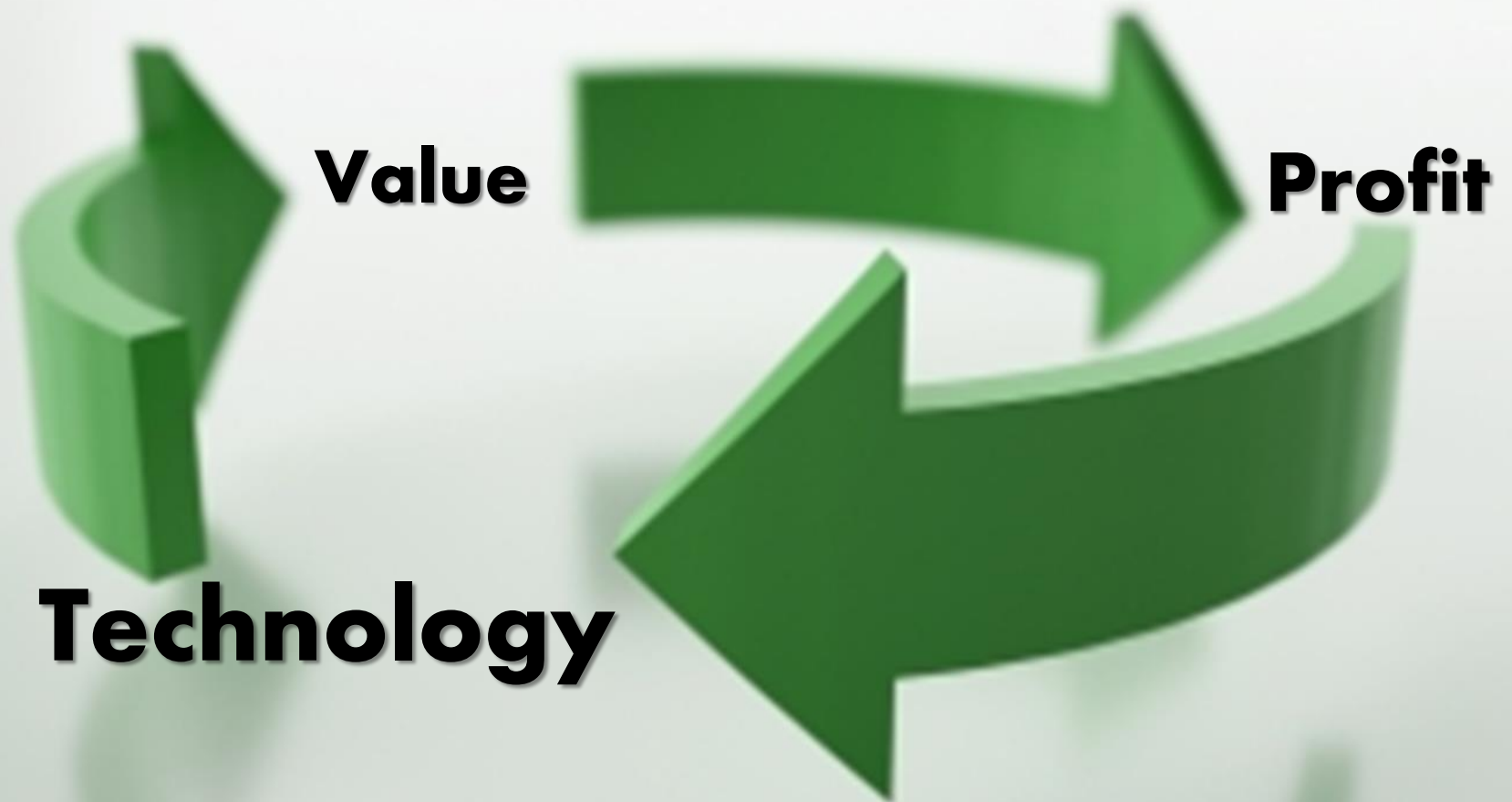


# Entrepreneurship module

## Lecture 1

### From idea to market

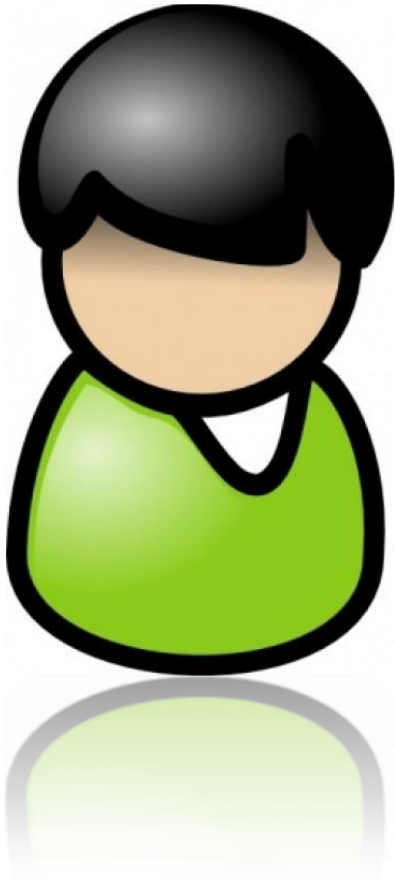
# Lecture 1 – From idea to market



## Martin Vendel

Martin holds a PhD in Chemical Engineering from KTH. He has long industrial experience within strategy, marketing, product management, business development and HR. He has held a number of executive positions within the telecom and process industries. He is part time active at the Division of Entrepreneurship and Innovation, at the Department of Industrial Economics and Innovation at KTH Royal Institute of Technology and with CASL at Stockholm School of Economics. He also works as advisor to a number of start-ups.





You

Any experience regarding the area?

# What we plan to cover

## Lecture 1

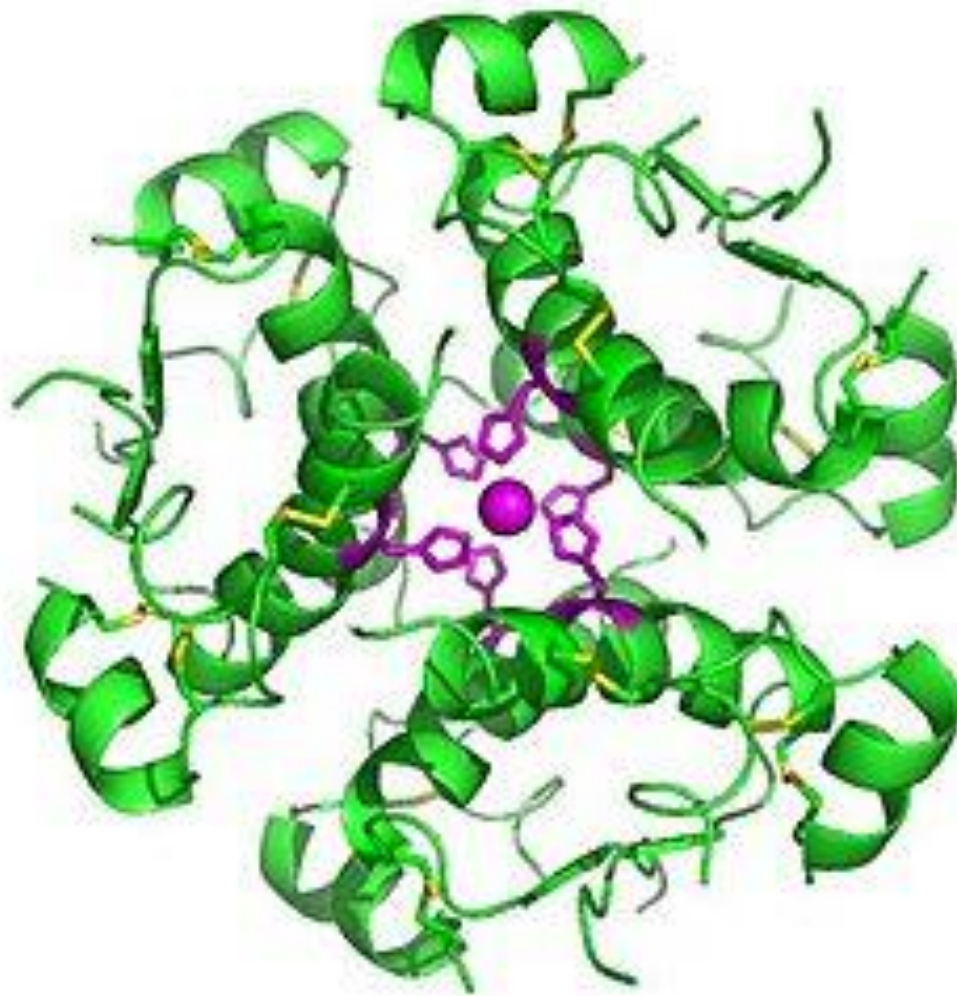
- **Introduction**
- **Idea generation and opportunity recognition**
- **NABC**
- **Assignment**

## Lecture 2

- **Business models**
- **Business planning**
- **Financing**
- **IPR**
- **Pitching**

# So what should you learn

- The value of your area
- Basic evaluation methods (NABC)
- The importance of careful use of resources
- Market focus
- Basic IPR knowledge
- Pitching ideas

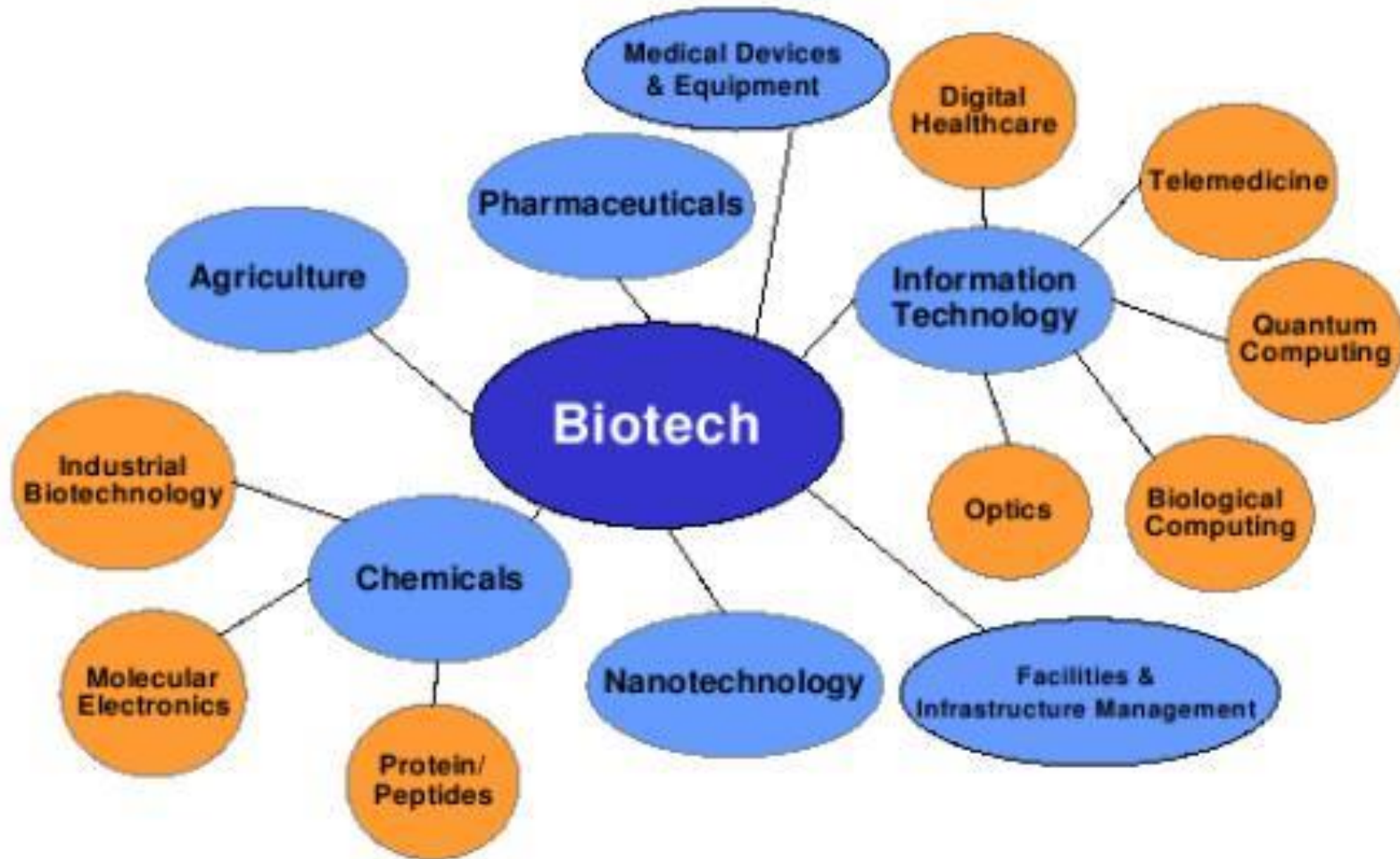








# The Biotechnology Industry



**So what's the largest area?**



# World largest biotech companies

Market cap 2012 in USD billions

- Novo Nordisk, Denmark - 76.92
- Amgen, USA - 60.09
- Gilead Sciences, USA . 40.16
- Biogen Idec, USA - 34.26
- Teva Pharmaceutical Industries, Israel - 34.23
- Baxter International, USA - 32.27
- Celgene, USA - 28.38
- Merck KGaA, Germany - 21.16
- CSL, Australia - 21.11
- Alexion Pharmaceuticals, USA - 18.85
- Vertex Pharmaceuticals, USA - 10.64
- Regeneron, USA - 11.3
- Forest Laboratories, USA - 8.87
- UCB, Belgium - 8.77
- Élan, Ireland - 8.63
- BioMarin Pharmaceutical, USA - 5.35

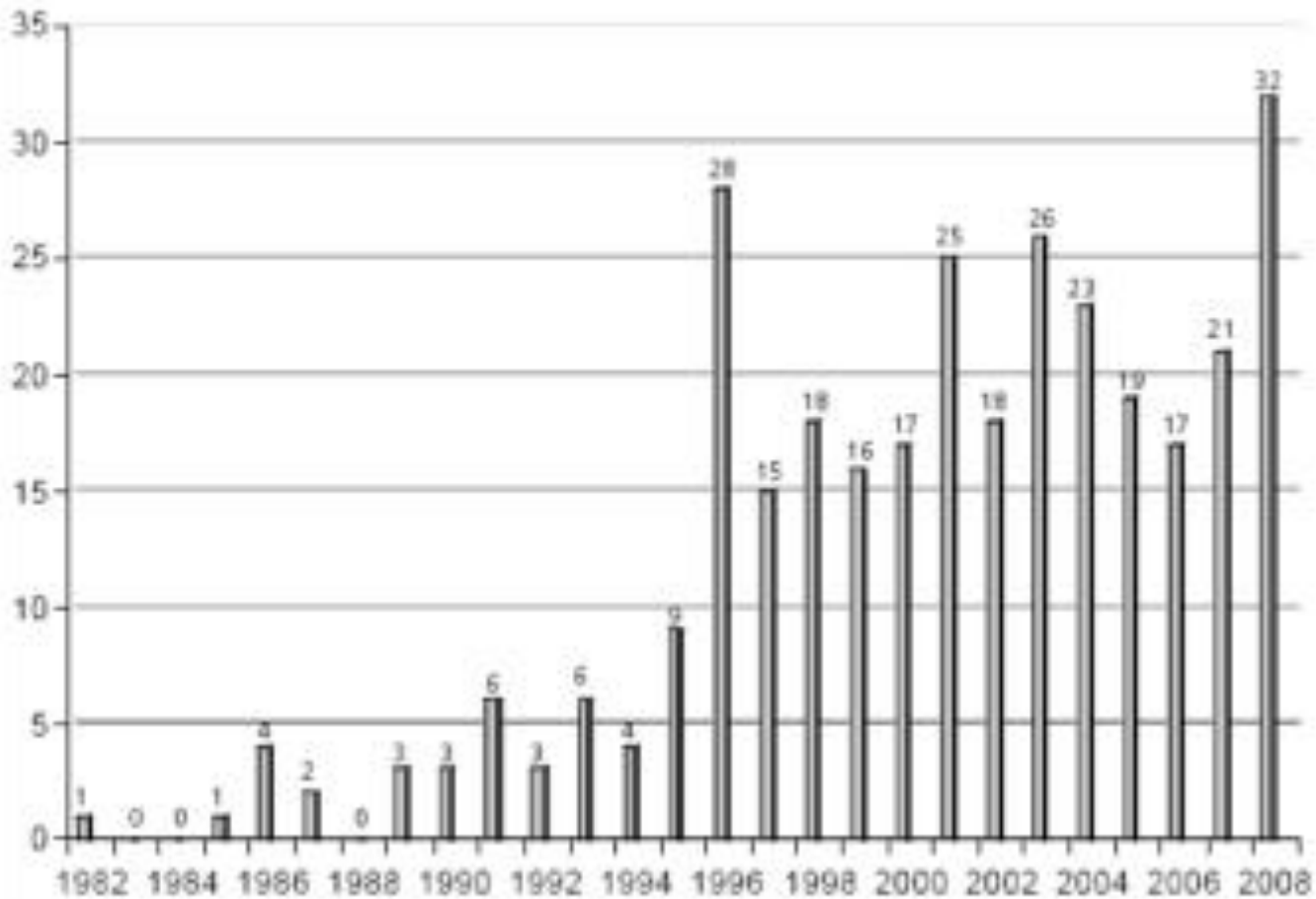
# The history of biotechnology

- 1953 - double helical structure of DNA published in Nature by Watson and Crick
- 1980 - the U.S. patent for cloning genes is awarded to Cohen and Boyer
- First biotech companies formed:
  - 1976 - Genentech
  - 1978 - Biogen
  - 1980 - Amgen
  - 1981 - Immunex
  - 1981 - Chiron
  - 1981 - Genzyme

# Biotechnology - contribution

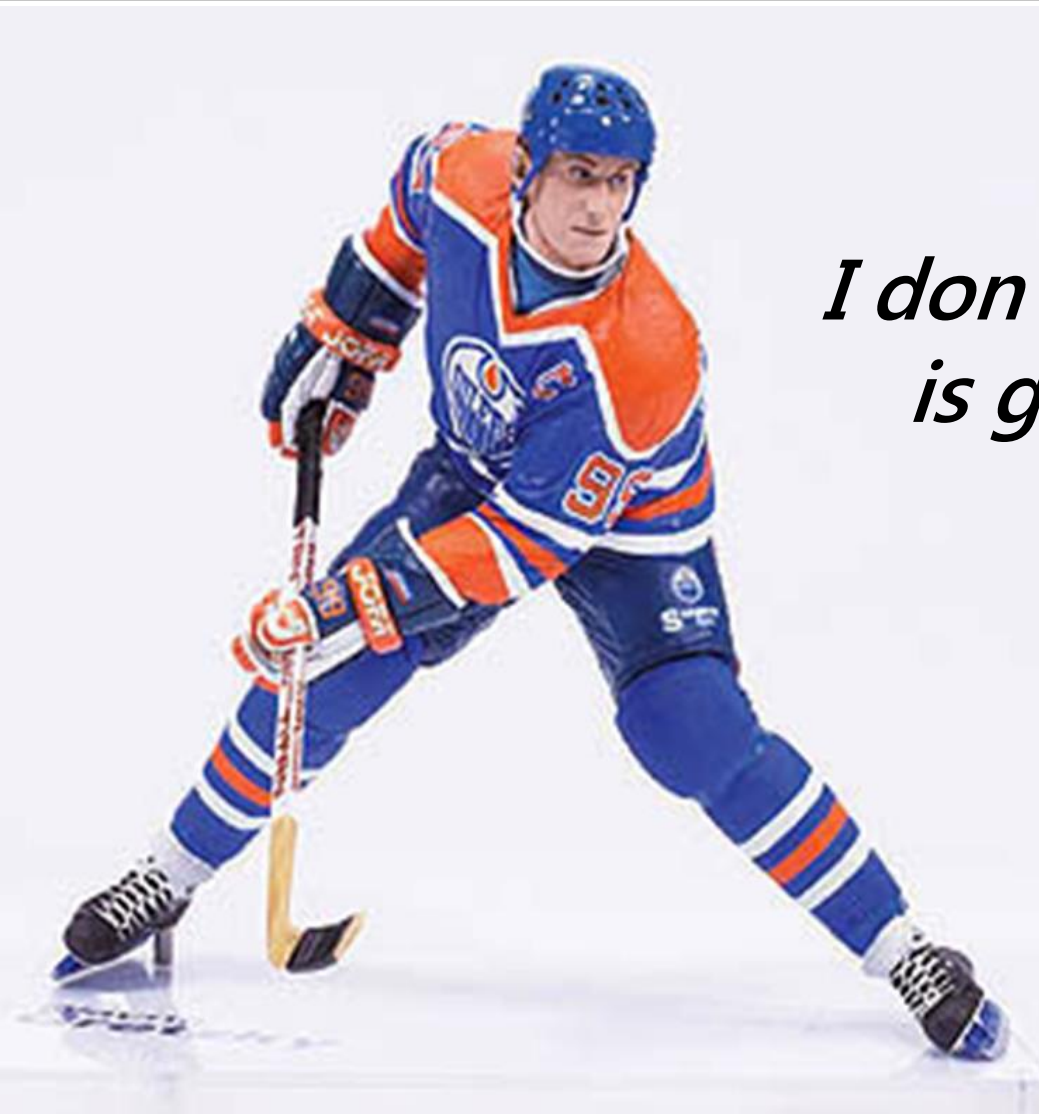
- More than 325 million people worldwide have been helped by 160 approved biotech drugs and vaccines
- >350 more biotech drugs and vaccines now in clinical trials targeting more than 200 diseases (Big Pharma only has ~75 drugs)
- Biotechnology is responsible for hundreds of diagnostic tests, including HIV tests and home pregnancy tests, DNA fingerprinting...

### Biotech Drug Approvals, 1982 to 2008



Source: BioWorld  
Snapshots: Biotechnology  
Products On The  
Market Since 1982.  
Note: This chart refers  
only to the first  
approval of a biotech  
drug. Approvals for  
additional indications  
are omitted, but  
would increase the  
total number of  
approvals by 126 if  
included.





*I don't go where the puck is going, I go where the puck is going to be*

Wayne Gretzky

**What's going on in your area now?**

# What do others believe in?

- Domain Associates
- HealthCare Ventures
- Polaris Venture Partners
- MPM Capital
- Alta Partners
- ARCH Venture Partners
- Flagship Ventures
- SV Life Sciences Advisers
- Sanderling Ventures
- Kleiner Perkins Caufield & Byers
- InterWest Partners
- Sofinnova Ventures
- Burrill & Company
- New Enterprise Associates
- OrbiMed Advisors
- Quaker BioVentures
- Venrock Associates

# Venture Capital – example HealthCare Ventures

Acix



Vaxxas



Dekkun Corporation



BIKAM Pharmaceuticals



GITR Inc.

ProteoStasis Therapeutics

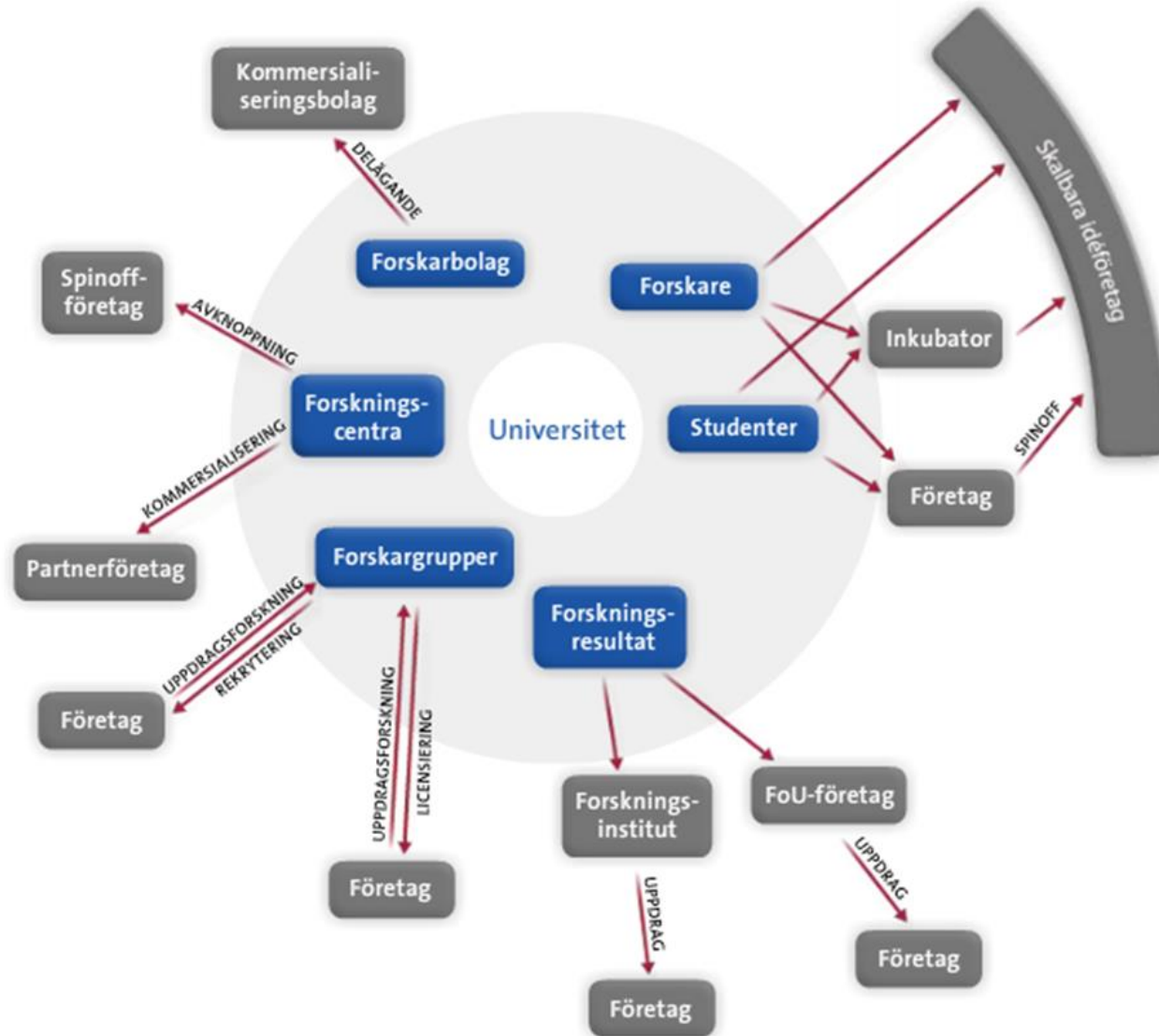


**Want to know more?  
See [crunchbase.com](https://crunchbase.com)**

# How to move from lab to market



# Commercialisation of research



# Entrepreneurship - definition

*The capacity and willingness to develop, organize and manage a business venture along with any of its risks in order to make a profit. The most obvious example of entrepreneurship is the starting of new businesses.*



# What is innovation?



# Innovation - definition

*Innovation is the development of new customers value through solutions that meet new needs, inarticulate needs, or old customer and market needs in value adding new ways. This is accomplished through more effective products, processes, services, technologies, or ideas that are readily available to markets, governments, and society.*



# Idea generation

crisis

危机

danger

opportunity



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**Christina Rodrigues resigned from her job as an executive within car rentals to start her own company. She acquired a large number of small low margin dry cleaning and small dying book stores.**

**What was her idea and how did she improve the profitability of both businesses significantly?**

# Megatrends

- Ageing
- Globalization
- Technological development
- Prosperity
- Individualization
- Commercialization
- Health and environment
- Acceleration
- Network organizing
- Urbanization

<http://www.cifs.dk/scripts/artikel.asp?id=1469>



# What was the original idea?

YAHOO!

You Tube  
Broadcast Yourself



Google™

facebook®

**YAHOO!**



**Google™**

Start targeting small markets, solving a specific problem for a specific customer

**facebook®**



# What do VCs look for?



- Compelling and unique
- Unfair advantage
- Technology
- DNA of founding team
- Finance

I KNOW YOU HAVE PLENTY OF ICE -  
BUT IS IT VANILLA FLAVOURED ?

Jim Goetz at Sequoia Capital

# From idea to business idea

Is this just an idea or is there an opportunity here?

# Assignment

- *F. Entreprenörskap* (en per grupp), max 400 ord skall skickas in till BILDA *senast den 27 april*
- Beskriv utförligt kommersialiseringen av den idén som ni bedömer är mest intressant med relevanta referenser enligt formatet NABC (Need, Approach, Benefits, Competition)

# Idea – business idea – business model



# NABC

Value Creation, user need and  
innovation

**Innovation is new value creation that  
leads to competitive advantage**



# Value cration

**Making value it to make meaning –  
making meaning is a two way relation**

**So who is the other part – “the user”?**

# Value creation

**Value creation is determined in the relation between you and your user (plus the user to user relation)**

**Greater user value is a driving force in innovation**

**By interacting and collaborating with your potential (or present) users, you will get insights in important human needs and get closer to a sustainable business solution**



# NABC

**The SRI International approach to  
value propositions**

# The NABC mindset

**The goal of every innovation is to create and deliver customer value that is clearly greater than the competitor's.**

**That's it.**

# The NABC framework

Create customer value by working  
systematically with

**Need**

**Approach**

**Benefits**

**Competition**



# The NABC questions

- **What is the important customer and market need?**
- **What is the unique approach for addressing this need?**
- **What are the specific customer benefits?**
- **How are these benefits superior to the competition's and the alternatives?**

# The NABC questions - assignment

- **What is the important customer and market need?**
- **What is the unique approach for addressing this need?**
- **What are the specific customer benefits?**
- **How are these benefits superior to the competition's and the alternatives?**

# Assignment

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# Thank You!

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