



IP PRAGMATICS

Valuation of a Novel Pest Control Technology in Agriculture

Background & Objectives:

A SME biotechnology company asked IP Pragmatics to undertake a detailed assessment of the market opportunity for their novel insect control technology in agriculture. This information was required by the company as part of its business case to underpin a new round of Venture Capital Investment.

Approach:

In completing the comprehensive market opportunity assessment IP Pragmatics utilised a combination of desk research (i.e. public records, news reports, subscription competitive intelligence tools, subscription patent searching & mapping tool), dialog with key individuals in the client company and its prior experience of assessing technologies in the agriculture pest control sector.

The information was used to compile an overall market value for the technology using a number of different comparators:

- Market approach – by correlating data from the existing insect control markets around the world and estimating the potential share of this market that is available to the new technology based on a range of different assumptions and scenarios.
- Income approach - by completing detailed cash flow income estimates for a list of the top 10 insect targets, which were identified from analysis of crop control and crop loss estimates.

The market values generated by the two different approaches were combined to present an overall landscape of the potential market for the technology and to identify the key insect pest/crop combinations that should be addressed as highest priorities based on value.

Result:

The client was provided with a report that detailed the overall market potential for the technology in agriculture including the information used to inform the valuation process, along with the assumptions made and the result of the different valuation methods.

The client was able to use the valuation report as evidence to support its new fund raising activities.

Based on the success of the first report, the client retained the further services of IP Pragmatics to undertake a more detailed analysis of the Indian agriculture sector and opportunities for its technology. This additional information is being used by the client to inform its negotiations with a potential business partner in the region.