The Commercialization Process

Faculty and Staff Workshop
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The Commercialization Process: The Textbook Version

- Idea
  - Feasibility & Options
  - Business Plan Development

- Resource Assembly

- Harvest
  - Growth
  - Launch
Nature of the Commercialization Process: The Realities

• Most new businesses fail
• Initial markets don’t pan out
• Initial business models don’t make money
• The initial idea or technology has to be changed
• Projected financing requirements turn out to be off the mark
• Businesses that succeed often look very different from the initial idea.
Nature of the Commercialization Process

What can you do to increase your chance of success?

Focus on the opportunity rather than the idea.
A Framework for Evaluating the Opportunity*

- **P**: Right people?
- **O**: Attractive market opportunity?
- **C**: Favorable context?
- **D**: Good deals in place?

- *Can risks be managed?*

## POCD Framework

<table>
<thead>
<tr>
<th>People</th>
<th>Opportunity</th>
<th>Context</th>
<th>Deals</th>
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| • Experience, skill, attitudes  
  • Know people and are known  
  • Reputation?  
  • Committed? | • Market size and growth rate  
  • Compelling purchase?  
  • Cost and revenue drivers in business model  
  • Investment requirements | • Favorable?  
  • Demographics  
  • Regulations  
  • Technology  
  • Capital  
  • Why does the opportunity still exist? | • Source?  
  • What value does it add?  
  • Fair?  
  • Aligned incentives?  
  • Exit options available? |

Source: Sahlman, “Some thoughts on Business Plans”
Recommended Readings


• Amar Bhide, The Origin and Evolution of New Businesses