



NetBizImpact

Linking innovative small and growing businesses in East Africa to capital, market and technology



Scaling and Commercializing Game-Changing Innovation

Nairobi Innovation Week (NIW) March 5-8, 2018

Start-up Prep Session - AGRI-TRACK

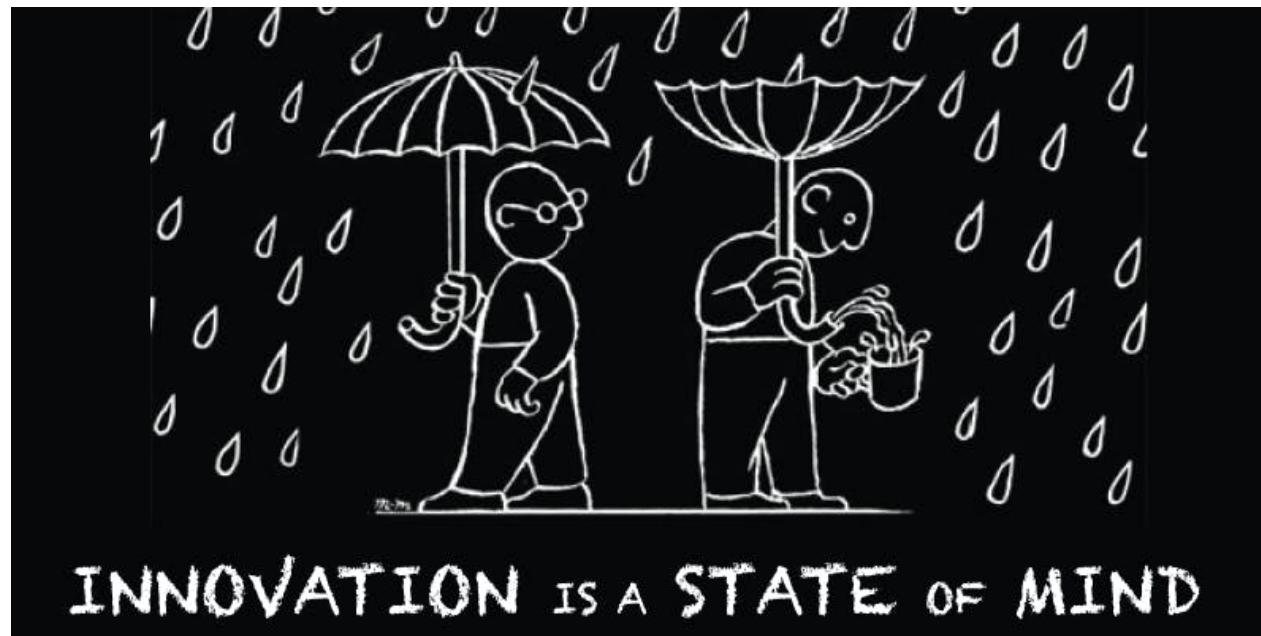
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Led by NetBizImpact Ltd

Structure

- I. About Innovation – definition, stages of innovation
- II. Agricultural Innovation –
 - I. What does it take to commercialize agricultural innovation?
- III. Regulation and Intellectual Property (IP) considerations
- IV. Main takeaways and recommendations

What is Innovation?



What is Innovation?

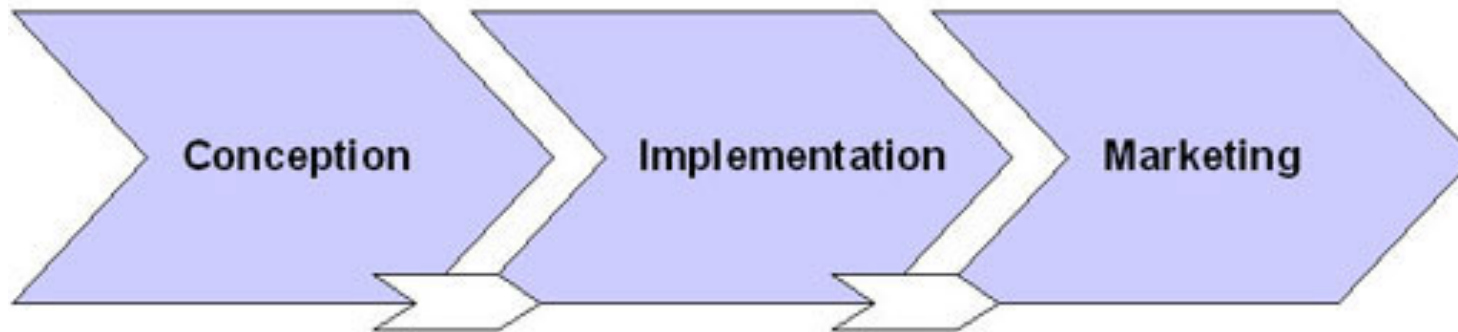
- The process of implementing new ideas to **create value for an organization**. This may mean creating a new product, service, system, or process, or enhancing existing ones.
- Can also take the form of **discontinuing an inefficient** or out-of-date service, product, system, or process.

Innovation in Social Entrepreneurship

- "Refers to the practice of **combining innovation, resourcefulness** and **opportunity** to address **critical social** and **environmental challenges**." — Oxford business school. **While making profits.**
- Social entrepreneurship can be defined as entrepreneurship that aims to **provide innovative solutions to unsolved social problems**. Therefore it often goes hand in hand with social innovation processes, aimed at improving people's lives by promoting social changes.

Innovation Stage/Process

3 Phases of a Simplified Innovation Process



- Requirement Analysis
- Idea Generation
- Idea Evaluation
- Project Planning

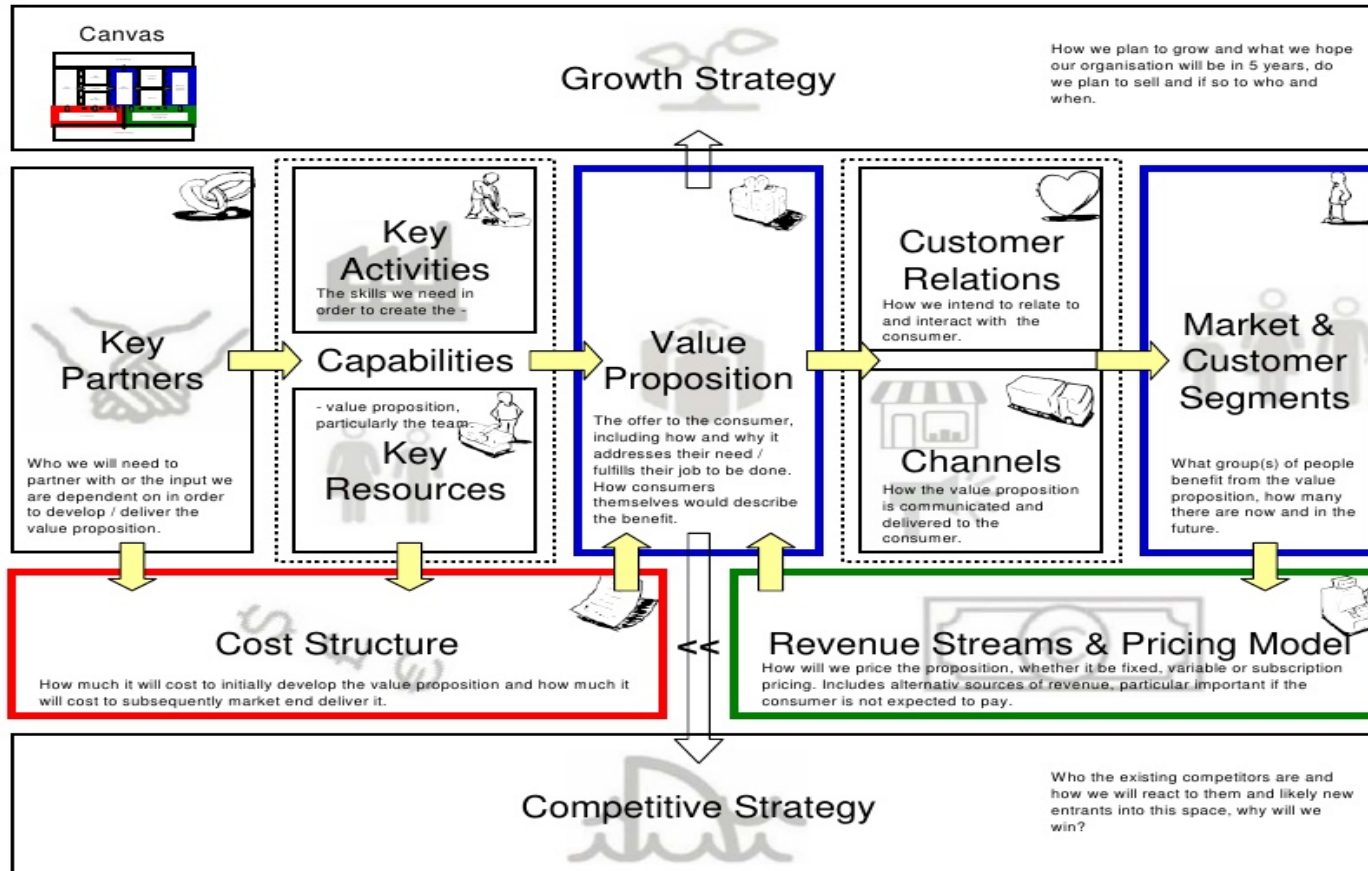
- Development/ Construction
- Prototype Dev.
- Pilot Application
- Testing

- Production
- Market Launch and Penetration (national/international)

(c) TIM @ TUHH



Business Model Canvas



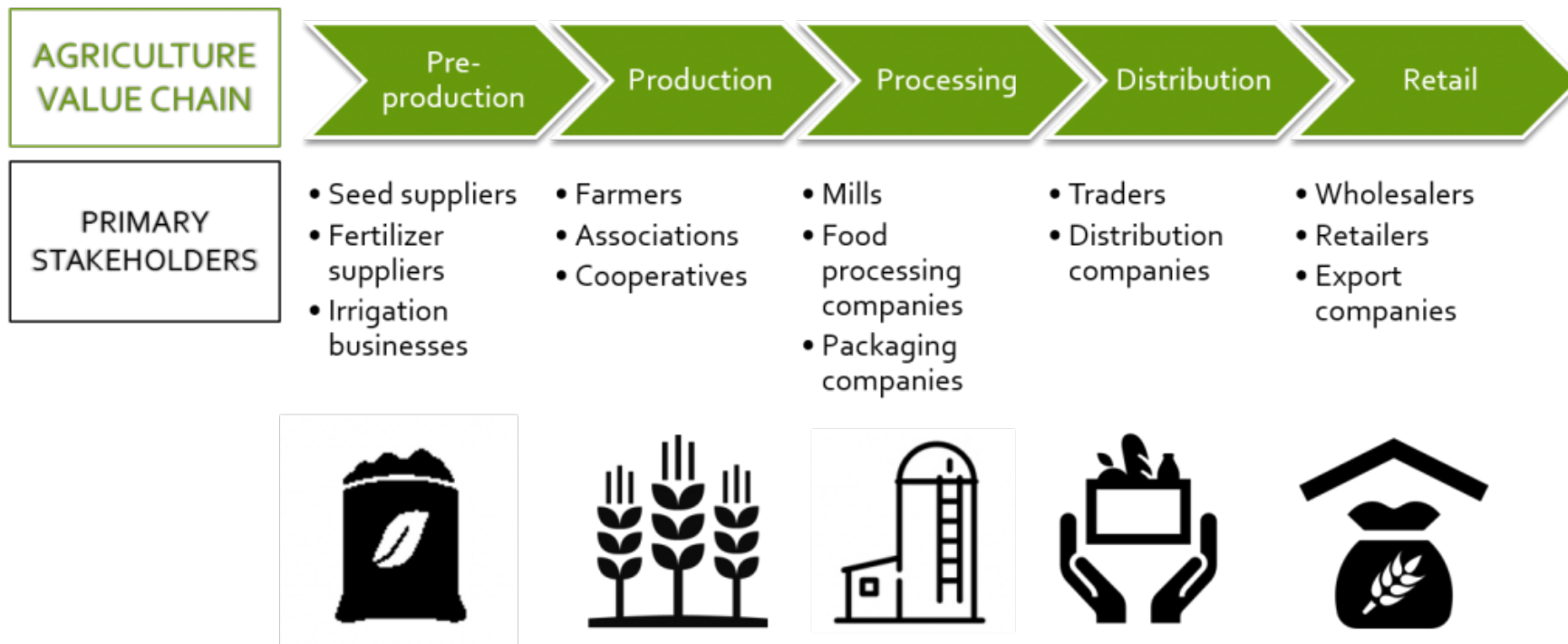


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Innovation in Agribusiness

- Innovating in agribusiness **must entail understanding the agricultural value chain.**
- Ag Innovations could **focus on any node (s) of the agricultural value chain.** e.g. seek to increase yields and incomes for farmers; reduce post harvest losses and waste; increase efficiencies in aggregation, processing and distribution and sales of products.
- Ag innovations could also help **ease payment solutions, credit acquirement and agricultural insurance.**

Simplified Agricultural Value Chain



Discussion

- What problem will your innovation solve?
- What stage is your innovation?
- What key steps have you taken (or not) toward commercializing your innovation?
- What are the key lessons you got from this session?

Break



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Intellectual Property (IP) and Innovation



Definition

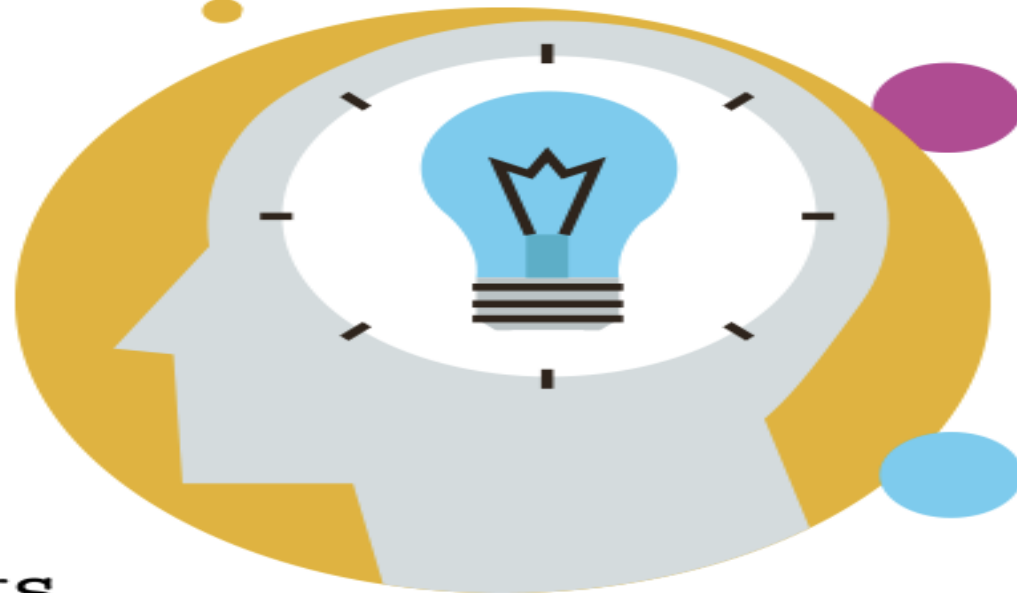
Intellectual property rights (IPR) refer to the **general term for the assignment of property rights** to assets . The rights allow the holder to exclude other agents from the commercial exploitation of their intellectual property for a predetermined period.

Types of Intellectual Property

5

Types of Intellectual Property:

- Patents
- Copyrights
- Trademarks
- Trade Secrets
- Right of Publicity



Importance of IP systems

- Intellectual Property (IP) systems can be critical in helping new ventures transform their innovation potential and creativity into market value and competitiveness. Intellectual Property rights (IPR) allow innovative entrepreneurs to protect their inventions.
- They may also have multiple other functions, such as signaling current and prospective value to investors, competitors and partners, accessing knowledge markets and networks, and preventing rivals from patenting related inventions.

IP Related Agencies in Kenya

- KIPI - Kenya Industrial Property Institute –examines and grants patents in Kenya
 - **The Industrial Property Act (1990)– CAP 509**
- KNIA - Kenya National Innovation Agency - The government of Kenya has inaugurated a board to steer the KNIA
- KEBS -- Kenya Bureau of Standards

Monetizing Patent Rights

- **Royalties** - are usage-based payments from one party (a “licensee”) to another (the “licensor”).
- **Licensing fees** - are paid as part of an agreement that defines the terms under which a tangible property is licensed for use by one party (a “licensor”) to another (the “licensee”).
- **Royalties and license fees** are generally paid on:
 - Trademarks
 - Copyright
 - Patents
 - Items consisting of an imported product with any of the above

Who Licenses Innovation?

- The licensor (inventor-owner) does not have to finance the commercialization process.
- The inventor can focus all of his energies on the next innovation.
- The licensor avoids the need to create and operate a company.
- The innovation will most likely get to market faster because a larger, more experienced company is handling the commercialization.
- The innovation may reach more markets if the licensee is a large, well-funded enterprise.
- The licensor will not have to build and manage a commercialization team.
- The licensor will not have execution risk.
- The licensor should be protected from product liability issues if the licensing agreement is properly written.
- The licensor retains ownership of the intellectual property.

Break



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Regulatory Environment



Innovation in Agribusiness

- Agribusiness enterprises must be aware of the regulations and laws that govern the sector in which they plan to operate in early stages of innovation and during their business development.
- Agriculture sector is governed by specific laws, regulations, protocols and policy documents.
- Production, processing and distribution of human food is a sensitive and highly regulated area.

Highly Regulated Ag Innovation Areas

- Importation of agri-inputs
- Distribution and retailing agri-inputs
- Manufacturing and testing of agri-inputs e.g. seeds, pesticides, fungicides – KEPHIS, PCPB
- Processing and selling agricultural products e.g. KEBS, Dairy Board e.t.c
- Export of agricultural products e.g. export permits, GAP training and certification, KEPHIS, HDCA

Other Ag Innovation Considerations

- Seasonality – at piloting and scaling phases
- Human Safety – for agro-chemicals - pesticides, ag inputs,
- International Market Requirements – e.g. Global GAP, EUROPE Gap

Key Takeaways

- Co-created with participants

1. _____

2. _____

3. _____